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CAUSES AND EFFECTS OF MONETARY INFLATION

While in China a progressive monetary inflation is raging, unprecedented in history as regards duration and planning, there are inflationary tendencies, since the end of war, in all parts of the world, in war-devastated countries as well as in under-developed countries, in surplus countries as well as in deficit countries.

In most countries, the inflationary pressures may be attributed on the one hand to the pressure of demand generated by budget deficits, or large net exports, or high rates of private investment, or spending of accumulated liquid assets, and on the other hand, to the scarce supplies of consumer goods. This situation has caused a rise in prices which tends to adjust the demand for consumption goods to the supply by raising profits to the point where the savings resulting from these profits are sufficient to finance the increased investment and government deficits. In the process the relative share of wages in the national income falls and the necessities of life tend to be distributed very inequitably. The resulting efforts by workers to prevent deterioration in their position by wage increases are frustrated by subsequent price increases and thus the inflationary process tends further to be reinforced by the speculative hoarding of essential commodities.

Inflation can generally be prevented by monetary and fiscal measures which reduce the requirements for savings or increase the supply of savings at given prices and output. Such measures include reductions in government expenditure, increases in income taxation, and monetary reforms designed to eliminate pent-up demand or to restore confidence in money. However, where inflation cannot be checked by monetary and fiscal measures, direct control of investment and rationing of essential consumption goods may prove necessary. Such measures are frequently difficult to institute for administrative and political reasons.

Scarce Food and Higher Prices

The scarcity of food is of strategic importance in the general rise of prices because the repercussions of increases in food prices are considerably different from those of increases in non-food prices. One reason is that a rise in food prices affects the largest part of the expenditures of consumers in the lower income groups, especially of workers, and thus results in demands for wage increases and subsequent additional price increases. Another reason is that a rise in non-food prices tends directly to raise industrial and commercial profits of which a considerable proportion is saved. A rise in food prices, however, tends to increase the incomes of farmers who usually spend a larger proportion of their incomes than would be spent out of business profits. This spending in turn exerts pressure on prices in the non-food sector of the economy and tends to increase profits there. The result is that in the case of food shortages leading to a rise in food prices a greater fall in real wages is necessary in order to generate the same amount of savings than in the case of other shortages. A part of the increase in food prices may swell the profits of intermediaries rather than the income of farmers; however, once inflation is in full swing, the profit of intermediaries are not likely to contribute to the required savings, since they are likely to be invested in the hoarding of essential goods.

Another feature of the rise in food prices is that, it cannot be properly dealt with by monetary measures designed to control general inflation. Although unbalanced budgets are a major factor in the general inflation in most countries, it must be noted that a budget balanced out of taxes on higher incomes would not materially reduce the pressure on food. The conditions of demand and supply for food would not be significantly changed by such taxes because the higher income

groups are not likely to reduce their consumption of essential foodstuffs as a result of the increased taxes. Increased income taxes may, however, make some contribution to the food problem by facilitating the financing of additional food imports either by releasing domestic goods for export or by reducing imports of non-essential goods.

Food Allocations and Controls

The curtailing of investment, public and private, would not reduce the pressure against the available food supply unless the labour and resources released could be shifted to the production of food or exportable goods in exchange for which imports of food could be obtained. Where this is not the case inflationary pressure on food would be reduced by the curtailment of investment only as a result of a reduction of the effective demand of the working population through unemployment.

The inflationary effects of food shortages can thus properly be dealt with only by a tight system of food allocations and controls which not only limit the prices of foodstuffs but ensure an equitable distribution of existing food supplies. Such a system, however, requires that the total supply of essential food is secured at fixed prices through governmental agencies. Most countries found that for various administrative and political reasons only part of the supplies could be secured in this manner while the rest appeared on the free market or leaked through to the black market. However, even such inadequate operation of food controls provides some protection to the lower income groups because the ration tickets constitute a larger proportion of their consumption than in the case of the upper income groups; it cannot, however, solve the problem of inflationary impacts of food shortages.

Contributing Factors to Inflation

A contributing factor to the continuation of the inflationary pressure in the under-developed countries after the war is the pent-up demand for investment and consumption goods, supported by a large volume of liquid

savings accumulated during the war. A second factor in most countries concerned is the large government deficit caused in part by expenditure for development far in excess of pre-war levels.

The problems faced by under-developed countries in carrying out their plans for development bear a certain resemblance to those faced by industrialized countries where heavy war destruction of capital equipment can be overcome only by heavy capital formation. A large proportion of the population lives on a subsistence level and as the higher income classes also tend to consume a fairly large proportion of their income, projects for development that are financed by domestic means would tend to create inflation. Indeed in such circumstances a very large increase in the production of consumption goods is required to meet the demand generated by development expenditures without causing inflationary pressure. Such an increase, however, is difficult to achieve in the short run, especially in the case of food.

To counteract the rise in food prices, the under-developed countries should give special attention in their development plans to an increase in food supplies. An early expansion of food production, however, is bound to encounter considerable difficulties because it involves social, economic, political, and legal problems which usually take a long time to solve.

Such food rationing is difficult to achieve in most under-developed countries, food imports may be necessary, at least in the first stages of development, particularly in the densely populated countries. To some extent these additional food imports could be financed through a reduction of non-essential imports, but an expansion of exports is likely to be necessary. Income taxes may be of help in both these respects. An expansion of exports presupposes, however, not only that the goods will be available for export but that other countries will be willing to expand their imports of these goods. Any remaining deficit or current account would then have to be financed through mobilization of private holdings of gold, foreign exchange and other foreign assets, through the use of accumulated official gold and foreign exchange, or through foreign loans.

Should an under-developed country find all these means insufficient to maintain the desired pace of development and simultaneously to secure the necessary food supplies, it would then be faced with the problem of choosing between imports of food and imports of industrial equipment, or a choice, in other words, between a reduced rate of development and inflation. The degree to which this type of problem is likely to arise will depend on the extent to which a country is able to use control devices for distributing its food supplies equitably among its people.

UNITED KINGDOM ECONOMIC POSITION

(BY THE ECONOMIC INFORMATION UNIT OF H.M. TREASURY)

1. THE UNITED KINGDOM BALANCE OF PAYMENTS

	£ millions *		
	1938	1946	1947
	(provisional)		
PAYMENTS			
1. Imports (f.o.b.)	385	1,092	1,574
2. Government expenditure overseas	16	290	211
3. Shipping	80	140	163
4. Interest, profits and dividends	30	77	94
5. Film remittances (net)	7	17	13
6. Tourist payments	40	26	50
7. Total payments	1,008	1,642	2,105
RECEIPTS			
8. Exports and re-exports (f.o.b.)	533	888	1,125
9. Shipping	100	149	180
10. Interest, profits and dividends	205	152	145
11. Other (net)	100	73	-20
12. Total receipts	938	1,262	1,430
TOTAL DEFICIT	-70	-380	-675

* The figures cover actual payments made or received during 1947. Imports include goods subsequently re-exported.

NOTES ON THE BALANCE OF PAYMENTS

(i) How the deficit was distributed — Last year's deficit of £675 million was distributed as follows: a deficit of £680 million with the Western Hemisphere, a surplus of £80 million with the Sterling Area, and a deficit with the world outside the Western Hemisphere and the Sterling Area of £75 million.

(ii) The total net drain on our resources — As bankers to the Sterling Area Britain finances the dollar requirements of all Sterling Area countries. The strain on our resources was therefore even greater than the above figures suggest: the net drain on our gold and dollar resources last year was £1,023 million.

(iii) Remaining reserves — Our gold and dollar reserves at the year end stood at £512 million, excluding what remains of the U.S. and Canadian Credits.

(iv) Visible trade — We exported 8% more by volume, and imported 23% less, last year than in 1938. Yet the adverse trade deficit last year (the difference between item 1 and item 8 in the above table), reckoning the prices of both imports and exports f.o.b., was £449 million. The way we have been hit by rising import prices is shown by the fact that, had imports and export prices remained as in 1938, this deficit would have been some £300 millions less.

(v) "Invisibles" — Before the war we relied on our invisible receipts to pay for the excess of our commodity imports; our investments alone paid for over a quarter of our total imports in 1938. But the sale of a large part of our investments during the war, the fact that we had to engage in heavy borrowing, the loss of shipping, and the need to charter foreign ships has reduced our invisible income from these sources from nearly £250 million in 1938 to a £15 million deficit in 1947. (Items 9, 10 and 11 less items 3, 4, 5 and 6 in the above table.)

(vi) Government expenditure overseas — In 1947 we reduced military expenditure overseas to £80 million, compared with £230 million in 1946, and the cost of U.N.R.R.A. was reduced from £110 million to £62 million. But against this the cost of Germany doubled (£79 million in 1947 compared with £40 million in 1946) and receipts from the sale of Government surplus stocks fell from £90 million in 1946 to £10 million in 1947.

2. THE DRAIN ON RESERVES

The cessation of convertibility, together with the effect of import cuts and the renewed drive for exports last autumn, can be seen in the decreasing rate of drain on our gold and dollar reserves. From the August peak of £156 million the net drain on reserves in subsequent months was reduced as follows (£'s million): September, 93; October, 67; November, 59; December, 48.

3 THE VOLUME OF U.K. OVERSEAS TRADE

The trend of exports and imports since the war is shown in the following table:—

Year	Volume index of exports	Volume index of retained imports (1938=100)
1945	46	62
1946	99	68
1947	108	77
(1st quarter	100	67
(2nd "	102	77
(3rd "	114	88
(4th "	117	77
1948-	128	Not available
January	(provisional,	
Mid-1948		
export target	140	
End-1948		
export target	160	
Ultimate		
export target	175	

NOTES ON THE ABOVE TABLE:—

(i) Exports—The quarterly export volume figures show clearly the effect of the fuel and weather crisis in the early part of 1947; in fact, the interference with production in February probably continued to affect the figures

throughout the year and the resultant overall loss in exports in 1947 is reckoned at about £200 million. It will be seen, however, that the last two quarters showed a steady recovery and the figure for the last quarter of 1947—17% above 1938—was the best quarterly export figure achieved since the war. In January this year the volume of export was about 28% above 1938, but when allowance is made for the two extra working days that January had compared with December, the rate of export is reckoned to be about the same in both months.

- (ii) **Imports**—The severe weather, interfered considerably with the movement of shipping and the unloading of goods at the ports, likewise affected imports in the first quarter of 1947. Though still well below pre-war, they rose steadily in the next two quarters, but the last quarter of 1947 showed a marked reduction, due in part to the decision taken in October to reduce purchases from hard currency areas as a result of our balance of payments difficulties. The full effects of this policy may not be felt for some months yet.

4. BRITAIN'S TEN LEADING EXPORTS

The value of Britain's ten leading export groups in 1947 and the volume they achieved in the final quarter of the year, taking 1938 as 100, is shown in the following table:—

Group	Value	Volume
	1947 (£ million)	4th quarter, 1947 (1938=100)
Machinery	180.5	169
Vehicles	168	219
Iron and Steel	84.3	110
Cotton	77.7	46
Chemicals, etc.	67.4	139
Wool	57.9	102
Electrical goods	49.4	179
Non-ferrous metals	40.4	181
Cutlery and hardware	35.3	191
Pottery	32.8	169

5. THE TASKS AHEAD

The coal target for 1948 stands at 211 million tons. The steel target for the year is 14 million tons, but even if this is achieved (and supplies of pig iron and scrap will present the most difficult problems), it will still leave us short of the steel we require to meet all the export targets in the engineering industries.

The lee-way will have to be made up by textiles. They have the added advantage that most of their products can be sold in hard currency countries. Recruitment has taken an encouraging turn lately (see item 5 in the following table, which shows an improvement of nearly 50,000 over the year), but the present export target for all

COAL IMPORTS, CONSUMPTION IN HONGKONG

Interview with Fuel Controller

Through the constant efforts of the Department of S.T. & I. the Hongkong Government has managed to improve the coal supply situation from a hand-to-mouth basis in the early stages of liberation to the present stockpile of three months' adequate reserve in Government coal yards, disclosed Mr. F. J. Wakefield, Fuel Controller, to the *Far Eastern Economic Review* in an interview.

Reviewing the Colony's coal position since liberation Mr. Wakefield said: "Since the war the world shortage of coal and the scarcity of tonnage to carry it has necessitated the establishment of control in the Colony of Hongkong as in other parts of the world. Coal for Hongkong is allocated monthly by the London Coal Committee in conjunction with the co-ordinating committee for South East Asia, which sits every month in Singapore.

"Up to March last year the Colony's supply of coal was more or less on a hand-to-mouth basis and at one time stocks were at a very low ebb. The tide turned just in time to prevent a crisis and an adequate stockpile has since been built up. During the year under review, the Colony has imported 380,000 tons of bituminous lump coal compared with about 500,000 tons in 1939, and 11,000 tons of anthracite dust coal were imported compared with 130,000 tons in 1939. A year ago when the shortage of coal supplies was most acute there was no possibility of building up a reserve but a stockpile has since been accumulated and at the present time 60,000 tons, equivalent to about three months' supply, is lying in

textile industries in 1948 is £350 million and to achieve it we need something like an additional 3,000 workers each month until mid-year. The alternative to increased recruitment and increased productivity from the textile industries may well be a cut in the amount of clothing available to the home consumer.

The shift of man-power during the year into manufacturing, export employment, and the undermanned industries is brought out clearly in the following table:—

	Dec. 1946	Dec. 1947	Net gain
1. Working population	20,414	20,423	—
2. Total in civil employment	18,276	18,887	611
3. Manufacturing industry	7,006	7,251	245
4. For export in 3	1,477	1,942	465
5. Textiles	767	812	45
6. Coal-mining (numbers on colliery books)	692	718	26

the Government coal yards. This compares favourably with pre-war standards.

"To contend with the precarious situation early last year when stocks in hand were down to a week's supply a considerable quantity of high priced American and Russian coals had to be imported to make up for the lack of cheaper South African and Indian coals. For the last nine months, however, Hongkong has been able to draw its supplies from the cheaper and equally high quality coals from the Union of South Africa, India and Japan, and prices to the consumer have been relatively reduced.

"The prevalent trend of high working costs at source and destination, combined with high freight rates, do not encourage much optimism that prices can return to anything like the level of pre-war for some time to come. Average c.i.f. prices since the war are four to five times that of 1939 and freight rates have increased proportionately. Local prices have been kept as stable as possible and the closest watch has been kept to see that a minimum of this precious mineral reaches the black market. Every opportunity is also taken by the Fuel Controller of S.T. & I. to reduce costs and selling prices whenever possible.

"Average monthly consumption in the Colony at present is about 25,000 tons for bunkering, railways, power companies, gas works, dockyards, factories, domestic consumption etc. Anthracite dust coal which is mainly used by the power companies mixed with bituminous dust has been a serious problem due to disturbed conditions in Indo-China. Compared with 130,000 tons imported from the Hongkong mines in 1939 only 11,000 tons were procurable for Hongkong last year and the cost has risen to five times its pre-war level.

"Coke also has been most difficult to obtain and only by practising the greatest economy in distribution to consumers of the limited supplies purchasable from India and South Africa have breakdowns been avoided.

"On the whole, and taking into consideration the difficulties to contend with, the coal situation in Hongkong can be regarded as very satisfactory and so long as a world shortage exists and control is necessary the Hongkong Government can be relied on to see that adequate supplies of coal, without which the Colony cannot carry on, are readily available."

EXCHANGE & FINANCIAL MARKETS

Difficult Exchange Position in Hongkong on Account of Chinese Flight Capital

Progressive monetary inflation and expansion of civil war in China have caused since the beginning of this year a greatly accelerated movement of liquid funds out of China with a large percentage of such flight capital arriving in Hongkong for local investments, purchases of gold, transfers to the U.S. and other countries, speculative activities, employment in commercial businesses, etc. The financial stability of Hongkong has been affected by this apparently interminable flight from the Chinese currency, and even from wealth retaining possessions in China, into foreign values, gold and other precious metals and stones, properties and investments in productive enterprises.

In the face of nation-wide deterioration in China the people at large no longer respect the law and evasions of all regulations have become general. As long as the National dollar of China can be exchanged against foreign currencies to process of conversion will continue.

All controls in China have failed as was to be expected in so vast and so unorganised and undisciplined a country. Experience has shown that exchange control cannot stand against panic. If sufficiently thorough, it can be made legally complete, in the sense that no loophole is left for evasion which does not involve an offence against the law. But when the alternative is ruin, people will not hesitate to offend against the law. So long as all foreign exchange business is done through customary channels, a control exercised through the banks will be effective; they will have cognisance of all transactions, and evasion will only be possible by a carefully planned course of deception. But as soon as the fear of a monetary collapse comes within range, new channels will be rapidly improvised, and evasion will be made easy to anyone who is prepared to break the law. Little can be done to trace illicit transactions without a censorship of postal and telegraphic communications, which can hardly be tolerated in peace-time. But even if exchange control acted perfectly, and purchases of foreign money, securities and property were effectively prevented, the panic-stricken flood of purchases would be concentrated with all the greater force on real values, commodities, property or shares, at home.

Residents of Shanghai have utilised all available methods to transfer their assets abroad; foreign currency notes (mostly U.S. notes), Shanghai noted foreign shares, New York, Hongkong and other international securities have been sent out of China for safekeeping in foreign countries; land and houses were sold against T.T. New York. There has even been a tendency to buy gold for delivery and safe custody outside China.

The amenities of the virtually free foreign exchange market of Hongkong — so far as the Colony's entrepot trade is concerned — have been widely used by Chinese flight capitalists. All available exchange resources of Hongkong (mainly export bills and overseas Chinese family remittances) were found inadequate particularly since the beginning of last February, and international free exchange markets were actively drawn upon by such flight capitalists. What little foreign currency is daily for sale in Shanghai is out of proportion with demand and Hongkong has now also failed to cope with the rush of Chinese from practically every province who seek to convert their CN\$ funds into stable values. On account of the ample gold supply provided by Macao the locally available funds of U.S.\$ have been exhausted by gold buyers who found potent competitors among other groups of flight capitalists desiring to acquire funds in New York for various investments in the U.S. Only by selling sterling in overseas markets at the unofficial cross rate could demands by Chinese gold buyers and investors in U.S. securities, commodities, land etc. be satisfied.

Bona fide importers of commodities from hard currency countries have been put out of business by the continued and very pressing demand for T.T. New York by gold buyers and other Chinese flight capitalists who cannot be discouraged to make their purchases although the rate at which U.S.\$ is purchased has now been by far the highest in the world. The degree of currency inflation in China is so fast that the wealthy classes are stampeded into conversion irrespective of the rates charged by banks and brokers. The impending implementation of the American China Aid Program may slow down the progress of economic deterioration in China and thus help, to some extent, attenuate the stress now experienced on local exchange markets. A steadier exchange rate should be possible once American supplies keep arriving in China but on the other hand the break-up of civic morale and the general economic defeatism of the Chinese people may frustrate all American efforts in the end.

RETURN OF CONFIDENCE IN STERLING

There are increasing signs for a return of world confidence in sterling a development which has been accelerated by the impending assistance (E. R. P.) of the United States to the United Kingdom and Western Europe. In his annual address to stockholders the Chairman of the Chartered Bank referred to the position of sterling in the following terms: "From experience

gained through wide contact with the outside World exchange markets, it is impossible to stress too strongly the importance of recreating confidence in Britain's monetary stability. Britain's position as Banker to more than half the World has been endangered through the threat to monetary stability of the very large adverse balances of trade and payments which are proving so difficult to reduce and bring within control. It is not that the World can afford to dispense with Britain's services as a banker, but that it can and does refrain from buying Sterling until the last possible moment while selling it at the first opportunity whenever monetary stability is thought to be in danger, and there are many other devices, quite legitimate, but outside the power of the Exchange Control to check, which can have the effect of increasing imports and holding up exports.

"All this adds up to saying that, if full confidence in our monetary stability can be restored, there is likely to be a substantial return of Sterling into this country with a consequent easing of the position, and, provided the country stands together and works all out to increase production for export, while conserving internal expenditure and consumption, we can hope that, aided by the Dominions and Colonies, British Sterling will regain its stability even if the country cannot aspire to be the World's greatest creditor nation."

* * * *

TRANSACTIONS IN U.S. DOLLARS

The slack demand for gold in China has caused nervousness among local gold importers which in turn has brought about a decrease in demand for T.T. New York; although gold imports into Macao could be effected in practically unlimited amounts (either by securing Macao Govt. import licences or by airlifting directly gold in to the Portuguese Colony through a native bank and paying duty upon unloading) the absorptive capacity by the Chinese is not what importers would desire it to be. During recent weeks the local US dollar market has been under strong buying pressure for any amount of US notes and US bank credits coming largely from gold importers who had been amply provided with Macao licences and wanted to import their precious cargo into Macao, sell it there against T.T. New York, and resume the same operation before the China market turned, temporarily, dull and refused to take up what was so generously offered.

Although local and Macao gold bullion importers dispose of considerable numbers of gold import licences they are not in a hurry at present to ship as the market here is heavily overbought, current arrivals in Macao are still big and buyers in Canton, Hankow, Shanghai, Swatow etc. are holding out for still lower cross rates (gold prices in terms of US\$). Merchant

demand for TT New York was, however, lively and kept the rate well up which, of course, was possible only because of continued scarcity in supply; overseas Chinese remittances remain on a rather low level.

The week's highest and lowest prices were:—per notes HK\$578—560; drafts 590—572; TT 597—580, equalling cross rates of US\$2.68 and 2.76 respectively. As in previous weeks the local cross rates were considerably lower than quotations reported from New York and by Near Eastern exchange operators, and Shanghai's unofficial exchange market also reported higher sterling cross rates (about US\$ 2.85 to 2.90). Local gold importers' and merchants' buying of cheaper TT New York in foreign markets, through arbitrage brokers, continues although on a reduced scale.

Among the native banks last week most active buyers of US dollars were the firms of Hang Seng, Hsin Hang, To Hang, Hang Loong, Wing Tai, Wing Loong and the Macao bank of Jai Foong which also remained most prominent in the gold import market. Estimated sales for the week (4 trading days only on account of Easter Holidays) by native banks were: TT New York US\$300,000, drafts 200,000, notes 120,000. Forward and speculative US\$ business (margin settlements) excluded from above figures.

GOLD TRANSACTIONS

Highest and lowest local prices per tael, in HK\$: 336—323, corresponding to cross rates of US\$ 47½, highest, and 45½, lowest. At such rates, it is obvious, gold importers could not enter new business since they are making purchases abroad at prices from US\$ 40½ to 41 excluding freight, insurance and commissions, and furthermore they have to pay to certain native banks which have come into the possession of gold import permits a "special consideration fee" of HK\$ 15 to 28 per ounce (according to the demand-supply position). On account of the unusually low gold cross rate here the "special fee" requested by native banks here from importers has dropped from the recent high of HK\$ 28 per oz to around \$ 12 (which includes the Macao import duty of respectively Patacas 2 or 3 for every ounce of gold imported or brought into Macao in transit).

Gold turnover on the spot market: inside Exchange (for 4 days only) 10,875 taels, outside the Exchange (for 6 days) 22,000 taels. Forward market sales for delivery: 105,000 taels at the highest and lowest prices for the week of HK\$ 330½ and 320 respectively; and fictitious (so-called "paper bar") sales for clearing of positions only: 372,770 taels.

Local arrivals of gold from Macao around 40 to 50,000 taels; exports to China were on a low level of about 20,000 taels for the week March 22-27.

One seriously discussed rumour 'on the Gold Exchange had it that Hongkong Govt is considering the import of gold into the Colony under permit: acting on this report, which proved to be baseless in the end, some native banks, directly or through market brokers, pushed out large quantities as the feeling spread that gold quotations may further decline. (The strongest seller among the brokers was Kar Wah who act mostly on behalf of Hang Seng Bank).

Total imports into Macao for the first 3 months of 1948 were estimated at about one million troy ozs (based on flying boats' manifests) for which importers must have received some US\$ 40 to 42 million in New York. Much of this gold remains still in Macao and Hongkong vaults for eventual sales to China, probably over 500,000 ozs. The by far larger amount of TT New York was not obtained from local US\$ resources (both current accumulations and previous investments) but secured abroad.

The Shanghai gold market ruled weak and buyers were reticent. The week opened at CN\$ 31¼ to 33 million per ounce, dropped later to 26 m and closed at 27½ m. Hongkong dollar equivalents were from 350 to 400 per tael. Canton quoted lower than Hongkong, opening the week at HK\$ 328 per tael closed at HK\$ 323.

TRANSPORTATION OF GOLD

It transpires in the market that the carrying of gold from Macao and Hongkong to the major cities of China is organised by a powerful faction inside the Nationalist Party (Kuomintang). While there are myriads of small traders and smugglers the bulk of the business is in the hands of this clique who derive substantial profits from the difference in rates prevailing here and in Shanghai as well as from protection fees which are paid by large gold dealers for the safe conduct of their precious cargo. Some of these earnings are allegedly going into the Party coffers. There is intimate liaison between the principal gold exporting enterprise in Macao and this political clique in China.

The fact that no diplomatic or other protests about the gold business of Macao have been made public by the Chinese authorities has been widely commented upon by the general public. In contradistinction to this "golden" silence, obviously officially inspired, is the campaign which last year was waged, with much verbal abuse and insulting comments, by many members of the Kuomintang press when smuggling between Hongkong and South China had assumed larger proportions as a consequence of the increasing import embargoes by the Chinese Govt.

That practically all gold imported into Macao is destined for China has not even been denied by officials in Macao and it cannot be denied either

that, from the point of view of Nanking's policy of foreign exchange control, the very large gold bullion imports via Macao have been affecting most adversely this official policy. The reported cooperation between a powerful Kuomintang clique and gold exporters in Macao appears, therefore, to be rather well founded.

Petty gold smuggling during recent weeks has been described by a well-informed Chinese source as follows: "As the gold price in Hankow was usually higher than that in Canton smugglers of gold from the latter to the former city became more active recently. According to the police stationed in the Canton-Hankow Railway, about 70% of the passengers (with the exception of Military personnel and the poorer classes) travelling by this route to the North, have in their possession a certain quantity of gold. In fact, the major smugglers have formed an organization in the carrying out of this unofficial trade since last year, and each time a quantity of a few hundreds of taels is shipped at an interval of about ten days. The quantity brought out by minor smugglers ranges from 8 to 10 taels which are generally concealed on the person or in their luggage. Furthermore, small quantities were exported by travelling traders in the same manner and daily exports increased from 400 to about 700 taels within the last three months. By bringing out 10 taels of gold in this way, a net profit of CN\$20 million will be made against a gross profit of CN\$30 million and the capital involved will be CN\$300 million. Since the beginning of March, about 500 taels have been seized with 2 major seizures of about 100 taels each. Direct shipments of gold from Macao to Canton are still frequent, at a cost of about HK\$320 per tael. On the 25th instant, the gold price in Canton was CN\$26,200,000 whereas it was CN\$27,500,000 in Hankow, differing by CN\$1,300,000. Sometimes, the difference may reach 3,000,000 when a sudden rise was reported in the latter city."

CHINESE MONEY MARKETS

In spite of the Ching Ming Festival local remittances to China were insufficient to balance the CN\$ offerings from Shanghai and Canton. Sales pressure by native banks in China continues which caused the local quotations to drop to record low levels. Spot notes (per one million Chinese dollars) quoted HK\$ 14½ high, 12½ low; forward notes HK\$ 12 high, 10½ low; and TT Shanghai and Canton were, at one time, selling at only HK\$ 9.80 and 11.80 (per one million) respectively.

In Shanghai's black exchange markets US notes quoted CN\$ 540,000 highest, 460,000 lowest; HK notes sold between CN\$ 88 to 98,000. Canton's exchange market quoted HK notes from CN\$75,000 to 84,000.

One of the periodic and apparently inexplicable waves of extreme tightness in the Shanghai money market depressed last week general quotations and brought up commercial interest rates to 40% per month while interest on the Shanghai Stock Exchange moved between 40 to 60 percent per month. The usual explanation for these extraordinary phenomena of a money position which turns within a few weeks from extreme tightness to extreme easiness, with wildly fluctuating rates of interest and domestic remittance rates, may be found in the policy of Central Bank of China who controls the money supply. However, there are also contributing or aggravating circumstances such as the movements of funds inside China largely carried on by politically influential circles who thus are able to determine to some degree domestic remittance rates (i.e. varying discounts and premiums on Shanghai, Canton, Hankow, Tientsin etc.) and the height of interest rates. Last week's tightness in the Shanghai money market was also influenced by heavy buying of native produce and hoarding of foreign commodities as well as by large remittances from Shanghai to the South.

The local Chinese money market sold last week (4 days only) between 4 to 5 billion TT Shanghai, 1 to 1½ billion TT Canton, and CN\$ spot notes for 15 billion and forward notes between 14 to 15 billion.

It remains here a standing puzzle who are the buyers of TT Shanghai and Canton (apart from the Hongkong importers of China produce).

New issues of CN\$ are expected shortly when high denomination notes will be released. Bank cheques are circulating side by side with Nanking's legal tender and are preferred as a means of payment by every firm and individual.

SILVER BUSINESS

Exports in February from Hongkong amounted only to 3,000 ozs of silver in bars or ingots, valued at \$ 9,000, which were all shipped to the Philippines.

Local stocks have slightly increased during the last two weeks but imports are still unusually small; for March some 200,000 taels were reported to have arrived here mostly from Canton, Macao and Swatow.

Transactions on the silver market were last week: 18,000 taels in bars, 35,000 taels in 20 cents coins. No silver dollar coins were traded. The local

price continues to be ruled by the demand in New York and the local unofficial exchange market rate for US\$. Quotations were at the end of the week: \$ 4.25 per tael, 2.70 per silver dollar, and 2.07 per 20 cents coin.

INDOCHINA PIASTRES

Trading in this counter has been weak for many months past and, consequently, the Gold & Silver Exchange Committee consider removing piastre from the trading board. Last week's spot sales amounted to 3.7 million piastres, and forward sales to 2.2 million. Quotations remain between HK\$ 12 to 12½ per 100 piastres. The market follows closely the political negotiations carried on between the French and the supporters of the former Emperor Bao Dai as success or failure of these very protracted talks will have vital bearing on the unofficial exchange rate of piastre here and HK dollar in Saigon.

SETTLEMENT OF PRE-WAR CN\$ OBLIGATIONS

Although more than one month has passed since the local Chinese commercial and native banks received official circulars from the Chinese Government regarding the settlement of pre-war Chinese dollar credits and debits with their clients, no decision has as yet been reached by the Chinese Bankers' Association here and even the Chinese Government operated banks are still waiting for detailed instructions as to how to settle these pre-war accounts.

The contents of the Chinese Government's circular to local banks were published on pages 178-9 in our issue of February 25, in which we pointed out that the Chinese Government's regulations setting CN\$3,405.92 for every dollar deposited on or before August 13, 1937, (the outbreak of the Sino-Japanese war) and CN\$1,703.46 for every dollar deposited before Dec. 8, 1941, (the outbreak of the Pacific war) would then return to depositors only 9.5% and 21.3%, respectively, of the actual value of the pre-war Chinese dollar deposits since the black market exchange rate on February 24 was CN\$40,000 to HK\$1.

Things are totally different today. The unofficial exchange rate in the Colony on March 25 was CN\$80,000 to HK\$1, or 100% higher than one month ago. In other words, should Chinese banks here decide immediately to settle these accounts with their clients, they would now receive only 4.7% and 10.6%, respectively, of the value of every Chinese dollar they de-

posited before Aug. 13, 1937, or before Dec. 8, 1941.

As there cannot be any doubt that the Chinese dollar will further depreciate as time progresses, the whole "settlement" might mean nothing by the time the local Chinese banks will square their pre-war accounts with their clients. Chinese banking circles are of the opinion that the Chinese Government will again have to modify the regulations of last December with regard to the settlement of pre-war Chinese dollar accounts in Hongkong.

JAVA OFFICES OF HONGKONG & SHANGHAI BANKING CORP.

The Surabaya office of the Hongkong & Shanghai Banking Corporation will be re-opened for business on April 1. The first office in Java of the Bank was re-opened after the end of war in Batavia.

Canton Banks' Scheme For Export Promotion

With a view to giving financial assistance to Canton's exporters 10 of the 12 appointed banks in Canton jointly formed an "Exports Loan Committee" last week and are now negotiating with the Central Bank of China for an agreement under which the State Bank is to grant loans to the Committee for supporting its scheme of export promotion.

The Committee will start functioning and granting loans to exporters as soon as it reaches an agreement with the Central Bank, which might be concluded in the first April week.

According to the draft terms of the Committee, export firms in Canton which are registered with the South China Regional Committee of Import Export Board or members of any recognised commercial guilds, are qualified to apply for two kinds of loans from the Committee.

1) Import Mortgage. This loan may be granted to Canton merchants who are importing goods from the interior of China to Canton for re-exports to foreign countries. The amount of this loan will be limited to a sum of not more than CN\$2 billion on each document certifying the future arrival of such goods from the interior for re-exports.

2) Export Mortgage: This loan may be granted to Canton merchants who have shipped out goods, or the goods

HONGKONG UNOFFICIAL EXCHANGE RATES (IN HK\$)

FOREIGN EXCHANGE RATES (IN HK\$)															
		CN\$ (per one million)													
Mar.	Gold per Tael		Spot		Forward		S'hai Canton		Notes	Draft	US (per 100)		Guilder	Baht	Pound
	High	Low	High	Low	High	Low	T.T.	T.T.			T.T.	I.C.\$			
22	336	331½	14¼	13¼	10¼	10½	10	13	574	588	593	12¼	31¼	26¾	13.2
23	331½	327½	13½	13½	12	11	10¼	12¾	571	582	588	12¼	31½	26½	13.2
24	330¼	325	13¾	13	12	11¾	11	12½	572	583	590	12	31½	26¼	13.1
25	326½	323	13½	12½	12	11¼	11¼	12	568	575	585	12¼	31½	26½	13.1
26	325½	324½	13¾	13¼	—	—	11½	12	562	573	580	12	32	26¼	13.1
27	326½	325¼	13½	13¼	—	—	10¾	12	564	577	582	12	32	26¼	13.1

Quotations on March 26 and 27, due to the Easter holidays, were not recorded at the Exchange.

HONGKONG STOCK & SHARE MARKET

A steadier tone prevailed during the week, March 22 to March 26. There were only four trading days and consequently volume was correspondingly smaller. The total sales amounted to 94,067 shares of an approximate value of \$3½ millions. At the close a steady tone was noticed with a paucity of offerings.

The settlement of the Hotel strike saw an immediate reaction in the price of the shares to \$20 but it closed at \$19½, after a considerable number of sales at \$20. Another feature was the steady rise in H. K. Lands to a peak of \$95 with a volume of approximately 10,000 shares on the day of the dividend declaration. However, it closed with sellers at \$94 when the dividend announcement became known.

Though the immediate general trend remains uncertain, the lack of offerings on declines is a feature that should be taken into account in judging the course of the future trend. It is not impossible, therefore, that the market will lapse into selective trading and remain quietly steady until new buying incentive appears.

Price Index

The Felix Ellis' price index showed a gain of .31 compared with the close of the previous week. Day-by-day his

are being packed for shipment to foreign countries, for which payment by purchasers abroad has not yet been made. The amount of this loan will be limited to a sum of not more than CN\$1 billion on each document certifying the order of such goods by merchants in foreign countries.

Both loans are to be granted on a short-term basis of one month at the interest rate of 6 percent per month. The draft stipulates that only 10 percent of the export value of each shipment will be granted by the Committee.

The participant 10 banks on the Committee are Bank of China, Bank of Communications, Farmers Bank, Central Trust, Chinese Postal Savings and Remittances Bank, Shanghai Commercial Savings Bank, Kinchong Banking Corporation, Manufacturers' Bank of China, Bank of Canton and Young Brothers Banking Corporation (Chu Hsin Chen Bank).

There are 12 appointed banks in Canton only two of which are European, viz. the Hongkong & Shanghai Banking Corporation and the Banque de l'Indochine.

Following the announcement of the formation of the Committee and of the Committee's draft regulations, merchants in Canton expressed the opinion that the scheme will not help exporters to any great extent since the Committee limits loans to only 10 percent of the value of export documents. In their view the Committee should at least grant loans up to 50 percent.

averages were: March 22, 146.19; Mar. 23, 146.09; Mar. 24, 146.36; Mar. 25, 146.50. The High and Low for 1947 were 155.82 and 123.88 respectively. The low for 1948 was 145.26 on Jan. 14, while the high was 148.68 on Feb. 12.

Company Reports.

CHINA ENTERTAINMENT & LAND INVESTMENT CO.—The Report and Accounts for 1947 show a slight rise in profit. Fixed assets consisting of the property housing the King's Theatre showed a decline of \$40,000 to \$1,145,000, while current assets exceed current liabilities by \$260,000 an increase of \$130,000. The dividend declared is \$2.50 per share, less tax, as compared with \$2 for the previous year.

Dividends

The following dividends were announced during the week:—

H.K. Fire \$10 as compared with \$8 the previous year.

China Entertainment \$2.50 less tax as compared with \$2 the previous year.

H.K. & K. Wharf & Godown Co. \$12 less tax as compared with \$8 for 1946.

H.K. Lands \$3 less tax and a proportionate amount on the new shares as compared with \$2 for the preceding year.

Business Done

H.K. BANKS: @ 2640.

INSURANCES: CANTON at 405; UNIONS at 795; UNDERWRITERS at 7½.

SHIPPING: UNION WATERBOATS at 40.

DOCKS & GODOWNS: WHARVES O. at 185, 182; N. (F.Pd.) @ 160; N. (P. Pd.) @ 115; H.K. DOCKS at 31, 31¼, 32, 32½; CHINA PROVIDENT at 23½, 24, 24½, S'HA I DOCKS at 27½, 26.

MINING: RAUBS at 6¼.

HOTELS & LANDS: H.K. HOTEL at 19, 19¼, 19½, 19¾, 20, 19½, 19¾, 19½; LANDS OLD at 93, 92½, 93, 93¼, 94¼, 94½, 95, 94½, 94¼, 94; LANDS NEW at 88, 90½, 92½; S'HA I LANDS at 6¼. HUMPHREYS at 25½, 25.

UTILITIES: TRAMS at 23, 22½, 22¾, 22.65, 22.60, 22¾, 22.60, 22.75, 23; PEAK TRAMS Old at 23; STAR FERRIES at 130; LIGHTS Old 22¼, 23.90, 23¾, 23.90, 23¾, 24, 21¼, 24.10, 24, 24.15, 24.10; ELECTRICS at 51½, 50¾, 51, 50½, 51, 50¾, 51, 50¾, 51¼, 51; TELEPHONES Old at 47; New at 46.

INDUSTRIALS: CEMENTS X.D. at 42½, 42¾, 43, 42¾, 43, 43¼, 43¾, 44, 44½; ROPES at 22, 21¾, 21½, 21¼, 20; DAIRY FARM X. Rts. at 60, 60, DAIRY FARM Rts. at 37, 37½; WATSONS X Rts. at 51½, 51, 50½, 51; WATSONS Rts. at 27¾, 27½.

STORES: KWONG SANG HONG at 203.

MISCELLANEOUS: CONSTRUCTIONS Old at 6; CHINA ENTERTAINMENTS X.D. at 25½.

COTTONS: EWOS at 18.

RUBBERS: KROEWOEKS at 53; TEBONG at 80; CHEMOR at 1.00.

AMERICA'S "CHINA AID PROGRAM"

The U.S. Senate Foreign Relations Committee approved on March 26 the "China Aid Program" amounting to US\$ 463 million for relief supplies and US\$ 100 million for military and other aid (the latter amount to be placed at the personal disposal of President Chiang). The C.A.P. is now going to Congress for final discussion, however, the measure has already been decided upon and the U.S. State Department has issued the full text of the Aid Program which, as far as US\$ 463 m. are concerned, will come under the authority of the China Aid Administrator.

Prior to coming into force of the C.A.P. the U.S. Govt has, for 1946, granted China two relief amounts, viz. US\$ 18 m. stop-gap and 27.7 m. interim relief, totalling US\$ 45.7 m. This help by the U.S. has taken the following forms: (1) to be delivered by April 18,600 tons of wheat, 47,800 tons of rice, (2) to be delivered during summer 50,000 tons wheat, 43,500 tons rice, as well as pesticides, medical supplies etc. These relief goods are to be handled by the Chinese Govt. in accordance with instructions received from the U.S. Authorities.

U.S. State Department Outline for China Aid Program (US\$ 463 million, excluding the stop-gap and interim relief supplies of US\$45.7m.)

When approving the C.A.P. the U.S. Senate Foreign Relations Committee pointed out the following inter alia:—

"Under circumstances, it is not possible to develop a practical effective longterm program for China's economic recovery predicated on outside assistance from the United States. We cannot underwrite the destiny of China.

"The United States should not be put in a position of being held responsible for the conduct of the Chinese Government and its political, economic and military affairs.

"The purpose of the aid program is to meet China's most important commodity requirements to relieve human suffering and give the hard-working people of China a chance to arrest the rate of economic deterioration in the country.

"The program also is designed, to afford the Chinese Government another opportunity to undertake a vigorous program of self-help.

"The Chinese Government's inefficiency, corruption and bureaucratic maladies have become even more devastating in a period of dislocation and inflation. Ineptitude in military leadership and corruption among Army commanders have contributed largely to the lowered morale of Chinese Government troops."

Cereals

Wheat and rice now being received by China total some 160,000 tons which should prevent starvation in China for the next 12 months. Increased food production may be expected as foreign fertilizers are included in the Aid Program. (The population one has to take care of are only those Chinese living in Nanking controlled areas, i.e. about 70% of the total).

The distribution of cereals will be undertaken by the rationing system established by the Chinese Government (5% lower than the open market).

Cotton

Cotton import is based on the present spindleage of 3,200,000 and an increase to 3,500,000 by August 1. The State Department estimates that China will need 900,000 bales of medium staple length cotton for her spindles during the period February 1948 to June 1949 in order to maintain continued capacity operation. This quantity, in addition to filling China's domestic need for textile and usefully employing many workers, will enable China to meet her export schedule to secure foreign exchange from Asiatic markets.

The China Aid Program will provide for the importation, mostly from the United States, of 750,000 bales of cotton with the presumption that China will get another 150,000 bales from non-dollar areas through barter or other means. A total of \$150 million is suggested for such imports from the United States.

Petroleum and Petroleum Products

Petroleum requirements for China are relatively small but are necessary for the economic survival of the country. Gasoline, aviation gasoline and diesel and fuel oils are needed for China's transport system. Diesel and fuel oils are specially required to substitute the dwindling coal output. In addition, kerosene is widely used in rural areas which are centers of handicraft industries.

The State Department calculates that China will need 25,199,000 barrels at \$135m. but the China Aid Program will cover \$110m. leaving the other \$25m. for China to secure in the sterling area.

The requirements of China are put at 1,220 barrels of aviation gasoline; 3,545 barrels of motor gasoline; 2,590 barrels of kerosene; 1,650 barrels of auto diesel; 4,650 barrels of industrial diesel; 9,440 barrels of fuel oil; 660 barrels of lubricating oil; 1,420 barrels of crude oil and 24 barrels of grease.

Although the programming is for procurement in the United States, the State Department hopes to get some quantities of motor gasoline, kerosene, aviation gasoline and diesel and fuel oils from the Palembang refineries of the Standard-Vacuum and Shell shipping costs and make possible larger procurement under the program. Oil Company. This will decrease the

The State Department favours utilizing the existing distribution facilities of Caltex, the Standard-Vacuum Oil Company and Shell.

Fertilizers

The \$30 M. fertilizers will be spent on 42,100 short tons of nitrogen and 40,000 short tons of phosphates with the expectation that the small requirement for potash will be secured by China from non-dollar areas. The requirements for China up to June 30, 1948 was not included in the program as supplies have already been allocated and are in the process of procurement. It is estimated that each ton of nitrogen properly applied will result in increased production of 15 to 20 tons of rice.

Although China's estimate of nitrogen import was put at 243,100 short tons, the unavailability of this commodity, in the face of world shortage, was responsible for the small amount programmed.

Tobacco

Some \$28m. is earmarked for American tobacco to China. The State Department opines that cigarette manufacture is the third most important manufacturing industry in China and cigarette tax revenue is the third most important source of Chinese Government revenue.

Metals

Steel and Iron Products.

	tons
Angles, joists, girders, tees ..	6,629
Bars	11,333
Nail rods	1,700
Bolts, nuts screws	173
Hoops	1,303
Nails, wire	1,700
Pipes, tubes, fittings	2,833
Rails	14,166
Sheets and plates	39,665
Terns plate	255
Tin plate	7,933
Wire, black	2,833
Wire, rope	1,133
Iron and steel,	4,250
Pipes and fittings, galv.	1,700
Sheets, galv.	2,125
Wire, galv.	2,125
Galv. iron and steel,	116
Steel, tool and alloy	5,666
Structural, fabricated	7,735
	<hr/> 115,373

Non-ferrous Products.

	tons
Lead, pigs and bars	142
Zinc, slabs, pigs or blocks	2,550
Lead scrap	567
Aluminum	1,486
Aluminum foil	1,652
Brass sheets	1,417
Brass scrap	3,966
Copper ingot	3,315
Copper wire	1,360
Copper scrap	283
Copper, plate, sheet, strip ...	850
	<hr/> 17,588

Pharmaceuticals

The \$5 m. for pharmaceuticals together with several millions of the interim Relief Program, will assure imports of American medicines and medical supplies to China at the 1947 annual rate. Items under this program are expected to consist of sulfa drugs, antibiotics, medicinal chemicals, serums and vaccines, vitamins and fish oils, and other medicines, antiseptics and expendable surgical supplies.

Coal

Pending revival of the coal mining industry in China, import at the 1947 annual rate of 85,000 tons is envisaged. The sum of \$3 m. will bring to China about 125,000 tons of coal during the life-time of the program (12-15 months).

Replacement Articles for Existing Capital Equipment

The China Aid Program will finance \$30 m. of China's \$45 m. requirements for replacement articles for existing industrial plants. The other third represents purchases to be made in countries other than the United States.

The breakdown shows no details on the types to be purchased as it will be governed entirely by the availability in the United States of articles needed. In some instances, used equipment or substitute equipment will have to be considered where shortages appear.

The program provides for:	
Electric machinery	\$ 5,400,000
Prime movers	8,000,000
Textile machinery	2,000,000
Trucks, other vehicles, tractors, etc.	8,500,000
Commercial aircraft	1,500,000
Hand tools	1,000,000
Pumping machinery and parts	500,000
Machine tools	1,500,000
Printing, bookbinding, etc., machinery	1,600,000
	\$30,000,000

Items not Provided by China Aid Program

In addition to items mentioned above which China will have to procure from non-dollar areas, the State Department gives a list of imports which are necessary for the maintenance of Chinese domestic industries but not provided for by the China Aid Program. These imports are estimated at \$55 m. most of which will be spent in the United States. The following is a brief summary of these imports:—Japanese rayon and floss, about 1,000 tons at \$3 m. for China's artificial silk piece goods industry for export to Asiatic markets. —Chemicals from the United States, \$4 m. for 3,600 short tons of acids and about 15,000 tons of other chemicals. Dyes for the textile, leather and construction industries will require \$10 m. and oils, fats and waxes for China's soap, candle, match and pharmaceutical industries will require \$3 m.

REVIEW OF ECONOMIC CONDITIONS IN THE FAR EAST

At the Annual Meeting of Stockholders of the Chartered Bank of India, Australia & China, held on March 25 in London, the Chairman (Mr. V. A. Grantham) outlined conditions in the Far East as follows:—*

Burma

As in India and Ceylon, events in BURMA have been overshadowed by the attainment of Independence, but unlike the new India, Pakistan and Ceylon, Burma has not elected to adopt Dominion status within the British Commonwealth of Nations. The effect of this decision will only emerge slowly. At the moment, Burma appears to enjoy prospects of immediate prosperity on a limited scale, for there is an universal demand for her rice, of which there promises to be a large crop this year, and, of course, the price is very advantageous. As almost all the countries surrounding Burma and in the Far East are in dire need of rice, it is heartening to learn that Burma expects to complete exports of some 1,500,000 tons by the end of October and to augment this figure by a further 250,000 tons before the end of this year. Even so, this will equal only a little more than half the pre-war exportable surplus in a good season.

But continued and solid prosperity can only be achieved in Burma by the complete rehabilitation and extension of all her industries and by the building up again of sound means of transport throughout the country. For this much foreign capital will be required as well as foreign experience, and it is surprising that the Burma Government should so soon moot policies of nationalisation, which must reduce the desire

for reinvestment by those interests which contributed so largely to the building up of Burma's greatness in the past, and must effectively close the door to new and prospective investors.

On January 4 of this year, Burma became an independent nation. Within a month thereafter, the Union Bank of Burma was established as the Central Bank. All the capital—initially Rs. 1 Crore—was subscribed by the Union Government so that it is a completely State-owned Bank and thus, as the Finance Minister intimated in his speech at the opening, "in conformity with modern trends." It is intended that the new Bank will eventually take over the management of the currency, though no movement in this direction is apparently envisaged for the moment, and the currency will consequently remain under the control of the Burma Currency Board. The Finance Minister stated that since March, 1947, the currency in circulation had been reduced from Rs. 67 crores to Rs. 45 crores, and that ample Sterling cover existed to meet all demands. All these are healthy signs, and provided the Burma Government can establish and maintain settled conditions throughout the country, prosperity within its borders, would appear to depend largely upon good annual harvests of rice with continued demand therefor from overseas, and upon the measure of success which will attend the Government's efforts to attract foreign capital to assist in the full development of the country's great resources.

British Malaya

MALAYA'S new Constitution was inaugurated on February 1. Under it the Federation of Malaya brings together the nine Malay States and the two British Settlements of Penang and Malacca. Singapore remains a Crown Colony but will be given a new Constitution in April. According to one report, indifference, rather than enthusiasm or hostility, marked the inauguration of Malaya's new Constitution; but only time will show whether the Malays and Chinese will work together in harmony on the many problems on which the Federal and State Councils will be called upon to deliberate.

Recovery in Malaya has been rapid, if we take account of the total trade figures for 1947. These amount to no less than \$2,687 millions (£313,500,000) comprising exports of \$1,319½ millions (£154,000,000) and imports of \$1,367½ millions (£159,500,000). Exports of rubber reached an all-time record at 953,697 tons of which no less than 645,229 tons were produced within the country, this total having been surpassed only in 1934 and 1937. The progress made in the production and export of tin was relatively much slower but still substantial, exports totalling some 29,889 tons against about 7,499 tons last year. Malaya has been a heavy importer of rice and other food, and this, with heavy imports of

* In the March 25 issue of the *Far Eastern Economic Review* the Bank Chairman's references to economic conditions in the Colony of Hongkong, and in China were published on pp. 275/6.

An outlay of \$15 m. is needed for the import of wood pulp, packing and wrapping paper, paper board, cigarette paper and other paper products from Canada and Scandinavia. Forty-six percent of this amount is expected to be spent on newsprint.—The sum of \$7 m. will be required to cover the import from the United States of 300,000 tires, 150,000 inner tubes and 18,000 tons of scrap rubber.—Railway ties, sawn softwood used in mining and construction industries and hardwood, will call for \$10 m. in addition to some Japanese timber on barter terms.—China will need \$2 m. for imports of sole leather, skins, shoe uppers and other essential leather manufactures, and \$1 m. for such importation as window and plate glass, gums, resins, shellacs, etc.

mining machinery and equipment, has rendered the balance of trade adverse for the time being; but, as rehabilitation proceeds and as production of rice, which is being more extensively and intensively cultivated than ever before, increases, the pre-war relationship between exports and imports should eventually be restored.

Malaya faces many problems: The prices of rubber and tin are of this genre, having been the subject of wide comment since the re-occupation of the country, and it is indeed unfortunate, that rubber and tin—the latter, after allowing for the increase in price which took place as recently as 19th December last, should command prices no more than about 30/40% and 70/80% respectively about those ruling in 1939, whereas the price of e.g. wheat has ranged some 200/300% higher over the same period. The significance of this comparison for the whole Sterling area, and as a contributory factor in respect to the short supply of U.S. Dollars will be readily apparent.

The problems surrounding rehabilitation are both varied and difficult. While it is possible that consumption of rubber, including the building up of stock piles, could for a time take care of production, even allowing for increasing exports from a recovering Netherlands East Indies the position is rendered uncertain through the United States Government's attitude toward the production and use within the United States of synthetic rubber. Notwithstanding this uncertainty rehabilitation of the planting industry in Malaya proceeds steadily, and where this is being done on approved modern lines designed to increase productivity and cheapen the cost of production, the final outcome may be regarded as hopeful for the future of Malaya. Turning to tin, delays in the arrival of machinery have slowed down the pace of rehabilitation; but production continues to increase and it is anticipated that the output for 1948 may amount to about 45,000 tons.

Other problems facing Malaya, both in Singapore and in the Federation are concerned with the balancing of budgetary expenditures for 1948 estimated at about \$90.4 millions and \$349 millions respectively. The introduction of Income Tax designed to care for some considerable portion of these expenditures has been adjudged premature in some quarters; but provided the utmost economy is observed in all directions, it would possibly be difficult to evolve a fairer means of obtaining the funds required for the public purse. The whole economic position in Malaya is overshadowed, however, by the pending decisions regarding the payment of War Damage claims, the raising of the Moratorium on Debts, and the effect of the proposed legislation governing Debtor and Creditor relationships during the occupation period. It is clear that only when payments on account of War Damage claims are made available, will full scale rehabilitation become possible; but that, obscured, as the economic issues must be, by the interplay of the other two fac-

tors mentioned, great care will have to be observed in the methods by which the funds representing the War Damage claims are placed in the hands of the beneficiaries so that the inevitable inflationary tendencies may be kept in check.

British North Borneo and Sarawak

Last year I drew the attention of the Stockholders to the extension of the Bank's branch system to British North Borneo. Owing to the great demands upon our staffs in all areas, we have been unable, for the time being, to extend our representation beyond Jesselton, the new capital and seat of Government, and Sandakan, where branches were established as soon as civilians were permitted to enter the country after the Japanese had been expelled. The development of the resources of the Colony promises to be pursued with great energy and an eight-year plan is being prepared under the direction of the Governor. One of the main difficulties is the labour supply, but this may be expected to improve as profitable employment becomes available. Great capital expenditure will be required to bring the country's resources to maturity, and as, in keeping with modern ideas, medical, educational and other social services will have to keep pace with development, the familiar problem of having to find large amounts of capital, willing and able to wait for adequate returns, is very present in British North Borneo. Success in any one field of development is likely to point the way, however, and as the Colony apparently possesses a variety of resources which may pay handsomely for development, the future of British North Borneo would appear to be bright. Conditions in the neighbouring Colony of SARAWAK have improved, and being already long established in Kuching the capital, we decided to open a branch also at Sibul, the second city in the Colony and the centre of a large rubber growing area.

Netherlands Indies

INDONESIA—the name by which the former Netherlands East Indies is now to be known—has been much in the news lately, as a result of the agreement recently reaching between the Dutch and the Republicans. Following this agreement the Dutch have called into being an independent nation composed of the peoples of the Indies, to be linked in partnership with the Kingdom of the Netherlands, Surinam, and Curacao in a new Commonwealth, and it is sincerely to be hoped that conditions will now permit of steady progress toward the rehabilitation of Indonesia, which, in the past, under Dutch control was the supplier, par excellence, of some of the most important of the world's agricultural products, not to mention mineral oils and tin ore. It is perhaps not sufficiently realised that the Netherlands East Indies, prior to the Japanese occupation produced, mainly for export, between 75 and 90% of all the world's pepper, kapok and quinine, between 25 and 37% of all oil-palm products,

coconut products, sisal and rubber, 19% of the world production of tea and 11% of sugar, a formidable array of exportable produce, the loss of which to the world during the past seven years has caused shortages in edible oils and fats and contributed to the price dislocations which have done so much to create unbalance in the world's economy. It is reported that to the end of September last, it was estimated that the areas taken over in the re-occupation of Java represented about 40% of the Cinchona, 35% of the tea, 22% of the coffee, and 21% of the rubber areas of Java, while 23 out of 60 sugar mills in the reoccupied area, were found in operating condition and a few had already commenced crushing, although production of sugar for this year is expected to be negligible. It is satisfactory to learn that the tobacco plantations on the East Coast of Sumatra appear to have suffered relatively little damage.

Financially and economically the position of Indonesia cannot but be strained, for exports through controlled channels, have not yet overtaken imports, and a severe shortage of foreign exchange has been the inevitable result, while lack of internal revenue is also causing difficulty. Provided peaceful penetration can continue, however, and in general the people of the country are anxious that it should do so, increased productivity should follow, and a gradual improvement ensue. It seems important, to say the least, that the conditions laid down for the entry and operation of foreign capital, of which the country will require large supplies over a long reconstruction period, should be reasonable and even attractive. The Bank re-opened its Sourabaya branch during the year, so that all our former offices in the Netherlands East Indies are now in operation.

Siam

Recovery in SIAM continues to be slow, whereas it might have been expected to be quick, for there has been an insatiable and sustained demand at exceedingly remunerative prices for all the rice which could be produced and exported, while Siam's other main items of export, viz., tin, rubber and teak have also been in demand at reasonably good prices. Before the Japanese occupation Siam had a consistent and substantial favourable balance of trade, imports for 1940 being Tcs. 157.5 millions (£14½ millions) and exports Tcs. 257.7 millions (£23½ millions). In the season 1940/41 the rice crop yielded no less than 4,923,350 tons. Inflation of currency during the Japanese occupation necessitated a lowering of the official equivalent of the Tical from 1/10 to 6d, but the latter rate has never been sustained in the free exchange market, although the rate has improved from circa Tcs. 80 to the £ (3d.) to about Tcs. 60 to the £ (4d.).

Political uncertainty, smuggling and lack of efficient administration are the main causes for failure to achieve a stabilised economy, and it is significant that the total recorded exports of rice for

1947 amounted to no more than 389,500 tons, although the exportable surplus must have been greatly in excess of that figure. For the current year, the exportable surplus is estimated at anything between 700,000 and 1.5 million tons for a good harvest is expected. Siam has undertaken to export her surplus rice in accordance with allocations by the International Emergency Food Council up to the end of 1948. The basic price has been increased to \$31 per ton, of which the Government are reported to intend to return \$11 per ton for rehabilitation purposes, and this factor, which follows the practice adopted in previous years, doubtless explains some of the difficulties of ensuring that the rice passes through the regular channels.

French Indochina

The outlook in FRENCH INDO-CHINA remains unpromising, for there is no prospect of rice shipments being resumed on any considerable scale until the civil war has been brought to an end. It is reported that exports of rice of all qualities, but chiefly rice meal, have not exceeded 90,000 tons during 1947, against a normal pre-war annual exportable surplus of about 1.5 million tons. The International Emergency Food Council expect to obtain no more than about 10,000 tons of rice from Indo-China in the first half of 1948, and this in spite of reports that a good harvest is expected in the rich Southern provinces where replanting has been carried out to the extent of 50/80% of the cultivatable areas.

Rubber production in Indo-China for 1947 is estimated (all following figures in metric tons 1,000 kilogrammes) at about 35,000 tons against pre-war figures of about 68,000 tons annually. Exports of rubber, old and new stocks, amounted to 38,879 tons of which 20,650 tons went to France and 11,000 tons to the U.S.A., having perhaps 10,000 tons in stock in the country. Work on the plantations is carried out under conditions of danger to human life at the hands of organised Viet-minh raiding parties.

The adverse trade balance for Indo-China during the period, January to November, 1947, amounted to Piastres 433,900,000, so that unless this figure can be reduced by a considerable increase in exports, the outlook for business is anything but bright and will remain so as long as the French and the Indo-China Independence groups fail to come to a negotiated settlement. The opinion has been expressed that force of arms alone will not succeed in bringing security and peaceful conditions back to the country. During the year we have re-established our Hai-phong Branch in Tongking, the Northern province of Indo-China.

Republic of the Philippines

The REPUBLIC of the PHILIPPINES has enjoyed another year of almost unprecedented prosperity, for although the market inflationary tendencies, everywhere apparent in 1946,

showed signs of abatement in the first few months of 1947, the end of the year saw the major export staples of the Philippine Islands commanding the highest prices on record. From the statistics immediately available it is difficult to form a reliable estimate of the future economic prospect, but there has been a boom in copra with production and export reaching high figures. Exports were some 681,930 long tons in the first nine months of the year and were expected to exceed 900,000 tons for the year. Figures up to the end of November were 870,000 long tons and it is estimated that about 50,000 tons were loaded in December, a figure which would have been greatly exceeded but for the incidence of possibly the worst typhoon the Philippine Islands have ever experienced. Hemp also has been in demand, and production and export have been steadily maintained, the total exports for the first nine months of the year being 586,412 bales of 278 lbs. each, with estimated total balings for the year of 730,000 bales which is only 20% below the normal pre-war scale of production of, say, 1,000,000 bales. Sugar has not yet figured to any large extent in the export market, but the local price has fallen considerably, consequent upon a presidential decree raising the domestic consumption quota from 80,000 to 150,000 tons (since reduced to 120,000 tons), although the lower price still averages about 450/500% higher than in 1941. The trend in foreign trade during 1947 was downward. Imports which averaged about Ps. 96,000,000 per month in the first five months of the year have been running at an average of about Ps. 60/70,000,000 per month during the third quarter. A similar trend has been experienced in the export trade which has receded considerably from the post-war high mark in April, 1947, of Ps. 89,367,000 to around Ps. 30,000,000 per month for the third quarter of the year. Revenue collected in the period July 1st, 1946 to June 30th, 1947, at some Ps. 144,014,000 was the highest in Philippine history, and surplus expenditure, and surplus imports were doubtless covered by a continuation of disbursements by the War Damage Corporation and the eight other rehabilitation agencies of the United States Government and the Veterans Administration. It was reported in October last that, during the following 30 months, such disbursements have been estimated as possibly totalling U.S. \$500,000,000.

With such a background, only the continued prosperity of the United States of America can ensure economic stability in the Philippine Republic. It is quite certain, however, that the levels of prices reached during the year must recede when alternative sources of supply become available, and any slackening of American rehabilitation expenditure could not but have deflationary consequences which, while all to the good, will require to be controlled if eventual crisis is not to be the result.

Japan

In JAPAN we opened an office in Tokyo last September, and are now in a position to assist in the financing of business between Japan and the world at large with special emphasis on trade between Japan and the Sterling area, which has been made the chief concern of the two British banks in Japan. Until recently, all Japanese exports, being founded largely upon raw materials received from the United States, had to be paid for in U. S. Dollars, but as there is likely to be much reciprocal trade between Japan and Sterling area countries, trade on a Sterling basis is now not only permitted, but is likely to assume considerable proportions. It is too early to do more than indicate that prospects for trade between Japan and the Sterling area are promising and to state that it is our intention to extend our banking operations to Yokohama and Kobe as soon as we can obtain possession of our offices in these ports. I am pleased to be able to report that both offices are undamaged, destruction of our property in Japan having been confined to houses.

Summing Up

In considering as a whole the position in the various countries in which the bank is established, and which came under Japanese domination, the most striking feature common to the majority is the shortage of food grains and mainly of rice. With the exception of the three rice-growing countries of Burma, Siam and Indo-China, all are affected by lack of food supplies, and this factor, more than any other, perhaps, is holding up the speed of recovery, certainly in some areas. It is a notable fact that, although considerable progress has been made in Burma and Siam in re-establishing themselves as exporters of rice, their exportable surpluses this year, although greatly in excess of the amounts available last year, are not expected in either case to be more than about 50% of pre-war in spite of the encouragement offered by the high prices which the commodity now commands. There are few other parallels to be drawn, but it may be said that, of the countries which were occupied by the Japanese, the Philippine Republic, aided by generous aid from the United States, Hongkong, Singapore, the Federation of Malaya, Siam and Burma, are now making steady progress, while Indo-China and Indonesia still lag behind. It is hoped, however, now that agreement has been reached between the Dutch and the Indonesians, that progress in Indonesia might soon parallel that being made in Malaya, for in certain respects recovery in Indonesia is of great importance to a World suffering from shortages of vegetable oils and fats and various other commodities of which Indonesia has in the past been one of the prime suppliers.

DIFFICULTIES FOR AMERICAN AND OTHER FOREIGN BUSINESS MEN IN THE PHILIPPINE REPUBLIC

Although the all-round economic progress observed in the Philippines since early 1946 has been one of the bright spots in the Far East, foreign merchants and manufacturers and generally investors have taken a rather dim view of the prospects of the future as far as private enterprise there is concerned. The Roxas Government has met with considerable though politely concealed opposition from Filipino private enterprise and from American business men. The feeling that the government is increasingly following a totalitarian trend is hardening and the possibilities of increasing political strife are now taking more concrete form. Apart from the Huk rebellion which cannot be subdued, the government is confronted with an emerging alliance of foreign and Filipino business men whose support or otherwise may prove of vital importance to the continued existence of the present government of President Roxas. In the following outspoken review of the present situation in the Philippines, with regard to American private enterprise and the outlook for foreign investments in the new republic, representative American opinions were combined and brought to the notice of Manila and Washington by the Journal of the American Chamber of Commerce in the Philippines. No doubt all merchants in the Far East will have to draw their own conclusions from the following article. (Ed.)

Official circles have expressed concern over the failure of American capital to come to the Philippines for major investments, despite the implied invitation of the Parity amendment to the Constitution. The casual conversations heard among businessmen, both in the United States and in the Philippines, as well as business correspondence on this subject, throw considerable light on the seeming reluctance of American and other foreign capital to enter largely into the Philippine investment field.

Graft & Corruption

The President recently took the press to task for playing up corruption in the government service. He said that while most of this talk is unfounded gossip, its publication frightens foreign capital.

Though it is true that a corrupt officialdom does not encourage foreign investment, American capital experienced in the foreign field takes this factor in its stride. Businessmen of the venturesome type adjust themselves to the situations they meet in foreign countries. While bemoaning the existence of a graft-ridden government, they generally manage to do business. No evidence has been seen that the alleged existence of widespread corruption has kept out foreign capital to any extent.

Anti-foreign Sentiments

Of far more concern to intending investors in Philippine enterprise, is the sincerity of the welcome here. The Parity Amendment did not have the unanimous support of the Filipino people, and large investments want security, and there is no security if there is widespread anti-foreign-capital feeling among the people. No matter how legal foreign investments may be, many American capitalists are watchfully waiting until public sentiment is better clarified as to whether their entry into the development of the country will be sincerely welcomed by the articulate segments of the population.

Many anti-foreign measures are being adopted and proposed at present. Most of them are not directed against American capital. But when Americans in New York or San Francisco read a brief news dispatch to the effect that foreigners cannot hold residential or business property in the Philippines, it is interpreted as anti-foreign sentiment. When a businessman encounters the delays and red tape incident to getting permission for a quick round-trip by airplane to Manila, he wonders if his presence is wanted. When his two or three-week visit is over, and he needs an extension, the time needed for obtaining the extension makes him think the country wants to get rid of him in a hurry. When he wants to make a bid for government supplies which he manufactures, and finds that he has to do business through a local stooge to meet the Flag Law, he feels imposed upon. A more manifest attitude of welcome, comparable with the traditions of private hospitality among Filipinos, in all his government contacts, would go a long way toward dissipating his fear of anti-foreign sentiment.

Philippine Note Issues

Distinguishing between honesty on the part of public officials and honesty on the part of the Government itself, complaint has been heard that the Government has in many instances shown an unwillingness and even a refusal to meet its moral obligations.

The refusal of the Government to recognize Philippine National Bank notes, has been a severe blow to the credit-standing of Philippine institutions. The unissued notes were in the custody of the Government, which failed to destroy them before Japanese entry. The notes were placed in circulation during enemy occupation. The public had no way of distinguishing between notes legally issued and those issued by the Japanese. They were genuine in every respect. Their redemption is the moral obligation of the Government, and possibly the legal obligation as well.

Novel Judicial Procedures

There has been in the courts a noticeable trend away from the established principles of jurisprudence with respect to property rights and contracts. Decisions have come down upholding the rights of squatters against property owners, which destroy the theory of private property rights, since no public compensation is paid for the diversion of the property to social uses. The constitutional precept concerning the inviolability of contracts, has become weakened through novel judicial interpretations. Businessmen are arriving at the viewpoint that administration policies rather than the Constitution, are the basis of court decisions, and that no case against the Government or a government corporation will be decided in favour of the plaintiff.

Handicapped Private Business

The Parity Amendment applies only to public utilities and natural resources. That is but a small part of the potential American investment-field in the Philippines, and anti-foreign sentiment and legislation is apt to delay American investments in industry and commerce.

The industrial-development programme of the Administration contemplates government entry into practically all fields which give promise of profit. The programme is embellished with talk about the Government going into partnership with private capital, but outside of the public-utility field, private enterprise does not look with favour upon such partnership. A competitive world calls for keen business brains, stimulated by the profit motive. Government participation in management would make long-range industrial planning and policies uncertain, and subject to more than ordinary political interference.

Responsible officials also talk about using the resources of the Government to initiate industrial development, and selling out to private enterprise later. Since the National Development Corporation was formed thirty years ago, this same talk has been heard. Yet so far no government enterprise of importance has been transferred to private ownership. It is not human nature for a political administration to relinquish the power which government-controlled corporations give.

Foreign Merchants in Commerce

Only in commerce has new foreign capital entered to any great extent. This generally involves very little fixed investment other than in inventories. Its volume does not appear in the statistical picture of capital investments, as the capital is generally supplied by the foreign corporation's home office. Even in the field of commerce, merchants are still perturbed by price-control measures and frequent commandeering. Reputable wholesale merchants are quite strict in observing government regulations, but they sell to retailers at con-

COMMERCIAL & FINANCIAL CONDITIONS IN WUCHOW

(By A Chinese Correspondent)

trolled prices, only to see the retailer selling at prices making for fabulous profits. Price-control has been and will continue to be unenforceable in a nation like the Philippines, which has not developed a highly organized economic system and still suffers from the disorganization incident to the war.

Government's Attitude to Free Enterprise

It is in the nationalization of enterprises, the costly and inefficiently enforced control measures, the entry of the Government into business beyond the needs of national necessity, which cause the "viewing with alarm." Persons highly placed on the policy-forming levels have been heard to say when a new private enterprise was being promoted, that the Government ought to get into that business for the profits it would bring to the Treasury. Such thinking is disconcerting to private pioneering enterprise, to say the least. All too often we have hard top-level officials criticize the most legitimate businesses because "they are making too much profit."

The present Administration has repeatedly announced that the principle of free enterprise shall be the foundation of Philippine economy. Events of the past two years lead many observers to the belief that the leaders are paying only lip-service to this principle. So many measures have been taken and policies followed that are the antithesis of free enterprise, that investors have become skeptical.

Totalitarian Control & Fascist Philosophy

Many of the governmental measures, adopted or proposed, tend toward totalitarianism. As the late Dr. J. Ralston Hayden pointed out in his book on the Philippines, the possibilities of establishing here a totalitarian government are implicit in the Constitution. The Constitutional Convention met at a time when Mussolini had not been generally discredited. Much of the fascist philosophy had acceptance among the framers of the Constitution.

The sumptuary measure proposing a commission to regulate the importation of so-called luxuries, is a manifestation of the totalitarian trend. The proposal to regulate real-estate sales prices, is another.

It will take more than a Civil Liberties Union to stop this trend away from democratic principles.

So far, no comprehensive policy setting forth the relationship between private enterprise and the Government has been formulated. Possibly the leaders have not yet evolved a definite philosophy to guide their economic programme. Until a clear-cut policy is formulated and authoritatively proclaimed, American capital will show no general movement towards the Philippine investment-field, though individual groups which find conditions propitious for their own types of enterprise probably will continue establishing themselves.

Known as "Little Hongkong" during the Pacific War the largest trading place of Kwangsi, the city of Wuchow, has lost its importance as a foreign trading port since the establishment in July last year of the South China Trade Board, now known as the South China Regional Committee of Export Import Board.

In the period between Japan's surrender and last July, Wuchow exported considerable quantities of native products of the provinces of Kwangsi, Yunnan, Kweichow, Hunan and Szechuen direct to Macao and Hongkong. Wuchow's direct trade with the Portuguese and British colonies fell off badly since the enforcement of the drastic trade controls by the Chinese authorities.

Though Wuchow still is considered one of the biggest commercial cities in South China, being perhaps only second in importance to Canton, it is no longer a direct foreign trade centre and its exports to Hongkong and Macao have to be directed to Canton first. Owing to its geographical position with direct waterways to Canton, Macao and Hongkong along the West River. Wuchow still handles a great portion of the transit native produce business for Yunnan, Kweichow, Hunan and Szechuen.

Situated in the southeastern part of Kwangsi, Wuchow has a population of about 150,000. It was allocated import quotas amounting to only HK\$200,000 per month for August to October, 1947, by the South China Trade Board. The city today has nine banks, about 110 "commercial agents" and several small-type match and soap factories.

The nine banks are the Central Bank of China, the Bank of China, the Bank of Communications, the Farmers' Bank of China, the Central Trust of China (all being government institutions), the Kwangtung Provincial Bank, the Kwangsi Provincial Bank (being Provincial Government banks), the Yeh Si Industrial Bank and the Tsen Ho Commercial Bank.

Majority of the 110 odd "commercial agents" are firms working on commission basis for traders while some of them are also engaged in native banking and remittance business.

Production & Export

Wuchow is today the second smuggling base in South China. Practically all exports from Wuchow are first shipped to Canton from where they are smuggled into Hongkong and Macao through underground channels. The distance between Wuchow and Canton and between Wuchow and Hongkong is about same, but merchants prefer to ship goods to Canton to avoid too large a loss when surrendering exchange to appointed banks in Wuchow (as a better deal for exporters

can be secured from the more reasonable banks in Canton).

At one time, the Kwangsi Navigation Company put its steamer, Kwei Hoi, on the Wuchow-Hongkong run but for a few trips only as the firm sustained a considerable loss through lack of cargo. The ship was withdrawn from this route and, instead, put on the more profitable line between Hongkong and Canton.

Just like in Canton, prices of all commodities in Wuchow are based on the black market rate of exchange between HK\$ and CN\$. For instance the price of tung oil increased to CN\$4,500,000 in February from CN\$2,300,000 per picul in January, that is in direct proportion to the increase in the black market quotation of HK\$. (The black market average rate in February was CN\$50,000 to HK\$1 and in January was CN\$25,000 to HK\$1).

According to official statistics, the average yearly production of major exportable goods in Kwangsi for 1946-7 was: tung oil 210,000 piculs, teased oil 98,000 piculs, peanut oil 240,000 piculs, aniseed oil 13,000 piculs, cassia oil 2,000 piculs and tin 32,000 piculs.

Trade & Currency

The trade returns of the Wuchow Customs showed that the city exported in 1947 a total of 255,520 piculs of tung oil; 26,140 piculs of teased oil; 5,420 piculs of peanut oil; 3,820 piculs of aniseed oil; 650 piculs of cassia oil; and 86,460 piculs of tin.

The statistics show that Wuchow exported 45,500 piculs of tung oil and 54,460 piculs of tin more than was produced by Kwangsi in 1947. This is attributed to the fact that part of the tung oil produced by Szechuen, Hunan and Kweichow and Yunnan's tin were transported to this Kwangsi trading city for re-export.

Apart from these, Wuchow also exported in 1947 a total of 2,059,000 piculs of firewood and charcoal. Majority of firewood and charcoal exports went to Hongkong which depends on Wuchow to a great extent for this fuel supply.

Following are 1947's recorded exchange rates of HK\$ on Wuchow's official and black markets:

	Official Black Market	
	CN\$	CN\$
January	1,100	1,500
February	1,700	1,920
March	2,200	2,330
April	2,470	2,950
May	2,670	4,360
June	2,670	5,980
July	2,670	6,700
August	2,670	7,000
September	6,900	7,000
October	9,400	12,000
November	10,800	17,000
December	13,800	25,000

Official Scandal In Canton

The Resident Committee of the Canton City Political Council made a startling disclosure last week following a one-month secret investigation into the alleged irregularities of the South China Regional Committee of Import Export Board in connection with the examination, screening and disqualification of South China's traders and factories as registered importers of foreign goods entitled to receive foreign exchange from the government.

In a statement to the Press the Council disclosed for the first time that it appointed three of its members a month ago to commence investigations in this connection after repeated accusations by public commercial organisations and private trading firms against alleged red-tape practices of the Import Export Board.

It may be recalled that the Import Export Board had granted the following registrations to importers which entitled them to receive foreign exchange of the fourth quarter allocation (November 1947 through January 1948):—Merchant firms 427, and factories 509. After the results of the screening were made known, many disqualified importers claimed that the Board committed acts of nepotism, indulged in bribe taking and grafting. A number of public commercial organisations supported the private business men and also strongly attacked the leading officials of the Import Export Board, Canton.

Without revealing the details of its findings, the City's Political Council claimed that it had discovered documentary proof of no less than 11 suspected illegal dealings of the trade control organ.

The Council made it known that it will forward its findings to the Executive Yuan and the courts in Nanking with recommendations that officials of the Canton Board responsible for their illegal practices be tried and that a re-examination of disqualified and qualified importers be conducted. The Council explained that it did not as yet wish to reveal all the details of its findings.

Following are the black market quotations of HK\$, gold bars of one tael and tung oil per picul in Wuchow in January and February this year:

Between Jan. 1 and 10, HK\$ was quoted at CN\$25,227; gold at CN\$8,136,-300 and tung oil at CN\$2,304,500.

Between Jan. 11 and 20, HK\$ was quoted at CN\$26,710; gold at CN\$8,656,700 and tung oil at CN\$2,504,-400.

Between Jan. 21 and 31, HK\$ was quoted at CN\$26,914; gold at CN\$10,-250,000 and tung oil at CN\$2,604,100.

Between Feb. 1 and 10, HK\$ was quoted at CN\$29,480; gold at CN\$11,-058,000 and tung oil at CN\$2,590,800.

Between Feb. 11 and 20, HK\$ was quoted at CN\$35,845; gold at CN\$13,-180,000 and tung oil at CN\$3,161,000.

Between Feb. 21 and 29, HK\$ was quoted at CN\$50,000; gold at CN\$17,-777,800 and tung oil at CN\$4,585,400.

SHIPPING CONDITIONS IN CHINA

Before the war, of the total of 1,300,000 tons of shipping engaged in the coastal and river trade in China, 580,000 tons were Chinese and 720,000 foreign, mostly British. At the end of the war some 60,000 tons of shipping were still operating, and 300,000 tons have since been recovered from the Japanese. In addition, vessels purchased by Chinese owners up to November, 1946, amounted to another 300,000 tons, so that there were 660,000 tons in existence at that time, or about half the pre-war total. Consequently there was a serious shortage in 1946, and the Ministry of Communications wished to bring the total of shipping in the trade up to 1,360,000 tons, which was estimated to be about the appropriate amount to deal with the traffic which would be offering on the return of normal conditions.

British Shipping's Assistance

The gap could have been filled and still could be filled by British shipping. British firms have vessels which were specially built for Chinese conditions. They have their organisations and experience still available. They own properties in China, have built many wharves on the Yangtze and other rivers and have close associations with the Chinese manufacturing and merchant interests who have most need of good shipping services. One special feature of British Yangtze shipping was the bulk carriage of tung oil in ships' tanks or specially constructed tank lighters, instead of in the wooden barrels or steel drums formerly used, from remote districts as far up as Chungking and Wanhhsien down the full length of the river to Shanghai, where it was transhipped for overseas markets. This avoided the necessity for the first transshipment which otherwise had to be at Ichang. Another specialised need which can so far only be met by foreign ships is for refrigerated space for collecting perishable cargo from Hankow and Nanking. If all these resources were thrown into the scale, there is no doubt that water transport could be made considerably cheaper than it is today, and that this would be of considerable value to China as a whole, and to no category of persons more perhaps than to the Chinese farmer and workman in the interior, whose produce cannot now flow freely to the markets because the cost of transport is prohibitive. The ports of Nanking and Hankow are at present closed to ocean shipping, and this places an additional burden on river transport as well as increasing the cost of goods to the Chinese buyer, through the necessity of making a transshipment of imports at Shanghai.

Nationalistic Opposition

Under the Treaty concluded with the Chinese Government at Chungking in 1943 for the abolition of extra-territorial rights, the United Kingdom relinquished also all then-existing special

rights of navigation on the rivers and coasts of China. After the end of the war in the Pacific the Chinese Government, yielding to nationalist pressure for the exclusion of foreign flag vessels from the inland waterway and coastal trade, followed a policy of acquiring ships themselves for this work. In practice the policy led to a general stagnation of shipping, and in October, 1945, an agreement was reached between the Governments of China and the United Kingdom whereby British vessels should again be used where necessary for the speedy rehabilitation of Chinese economic life, and for the better distribution of U.N.R.R.A. supplies. Nationalist sentiment, however, partly genuine and partly manipulated, proved too strong once again, and in July, 1946, the agreement was terminated.

China since the war has been showing an enhanced national consciousness and her desire to assert her full national sovereignty is understandable. The appearance of only Chinese flag vessels in Chinese inland waterways is understood in China as a visible sign of this sovereignty, which is taken, at any rate in some quarters, to be infringed by the appearance of foreign flag vessels there. There are plenty of Chinese who are aware of the advantages which less restricted shipping services would bring them, and who would favour the use of foreign flag vessels as well as Chinese, but these people belong mostly to the politically inarticulate groups.

National sovereignty could be better expressed by granting admittance to foreign vessels in the knowledge that China has full power, at will, to exclude them. In the meantime the policy of the Chinese Government remains to acquire sufficient tonnage under the Chinese flag to operate both inland and along the coast. China's applications for purchase or charter of U.S. merchant ships built during the war were greater than those of any other country, and amounted to 162 ships, or 300,000 tons, of which it was thought she had purchased 150 by the end of 1946. The whole programme, when completed, would restore the total tonnage operating in the coastal and river trade to approximately the same as it was in pre-war days.

Handling of Cargoes

There is no doubt that the cost of handling goods at Chinese ports, enhanced in the case of Yangtze traffic by the necessity for transshipment at Ichang and Shanghai, is a major factor in preventing the movement of goods. Heavy lifts out of ships must almost always be handled by their own spars and there are seldom any shore cranes available, though there is usually a sheer bulk for special lifts. All cargoes that can possibly be handled by coolies, or teams of coolies, are carried ashore; when this is impossible, the cargo is lowered into a lighter or sampan along-

side and taken to some point where it can be manhandled ashore on rollers. This cumbersome procedure consumes a great deal of time and labour and is therefore very costly in wages. If this serious impediment to the free flow of goods between the ports and the interior, especially the densely populated and productive province of Szechwan, is to be removed, it will be necessary to effect a drastic reduction in the number of man-hours employed. This might be brought about by a big reduction in wages. The more satisfactory alternative would be a fundamental re-organisation of the methods used for transferring goods from ship to shore so as to complete the operation in a very much shorter time.

Shipbuilding Facilities in China.

Shipbuilding facilities in China are at present very limited. The Government-owned Kiangnan Dock and Engineering Company (near Shanghai) could, if fully equipped, build one 10,000-ton ship a year and a number of small vessels, but to do this a great quantity of plant and material would have to be imported. The cost of the new equipment required has been estimated at £2,500,000, and it was reported that the Company was negotiating with an American company for its installation. Several British and American engineers were employed at Kiangnan.

There was a proposal to build another large Government-owned shipyard at Woosung on the Yangtze, 15 miles north of Shanghai.

The Shanghai Dockyards Ltd., a British company, were chiefly engaged in repair work, but could build vessels up to 5,000 tons, and in the past have specialised in river craft. Their main yard is at Yangtzepoo and there are two other docks on the Pootung side of the river.

The principal Chinese shipping company is the State-owned China Merchants Steam Navigation Company, which operates ocean-going, coastal and river shipping. Two-thirds of the U.S.A.-built ships purchased by the Chinese Government after the war were allotted to this company. So far it has no shipyard at which more than a little repair work could be carried out, but it plans to build large ships at a yard near Shanghai.

The Ming Sung Industrial Company of Chungking is a private concern. It is at present building and operating river craft only, but proposes to build coastal vessels eventually.

Finally, there is the Szechwan Company which was building small river craft at Chungking and Chiaping.

(Extracts from the Report of the United Kingdom Trade Mission to China).

BRITISH DOCKYARDS IN SHANGHAI

In our issue of Jan. 21 a review of the shipping situation in China was published which, inter alia, also described the present position of repair facilities in China. As regards the British owned and operated Shanghai Dockyards Ltd. at Shanghai it must be emphasised that this company is more than able to cope with the volume of ship repairs which might be required by Chinese ship owners in Shanghai. In fact, the facilities of the Shanghai Dockyards have never been fully utilised by Chinese shipping firms as is being outlined in the article below which has been written by Mr. J. A. Bonnyman, M.B.E., Director and Chief Manager of the Dockyards.

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After stressing the point that owing to the complete absence of foreign shipping employed on coastal and inland waters, the Chinese have gathered in a desperate hurry whatever shipping they could find, irrespective of commercial usefulness, the Author (of the article "China at the Sea" published in this Review on June 21) goes on to state: "There are many reasons why this is not the right way to build a Merchant Marine, but there are two in particular which should be emphasized. Firstly, the repair and maintenance facilities of China are hopelessly inadequate to deal with a fleet of so many old and unsuitable ships which are in constant need of drastic upkeep", and further: "Many ships, both new and old, lie idle awaiting repair".

Referring to this first particular only, as far as Shanghai is concerned the Author's remarks regarding repair facilities are not correct; the repairing facilities in Shanghai are sufficient to cope with many times the volume of repair work available at the present time. Shanghai Dockyards own four dry docks and two slipways, in addition to their large modern and well equipped workshops, and while good use is made of the Company's extensive facilities, they are by no means extended. Considerably more work could be undertaken by the Company without affecting efficiency or delaying work in hand; in fact, to make better use of these facilities, recourse has been made to undertaking various classes of land work for mills, and other factories, public utilities, etc.

The Company's two large docks were originally designed for accommodating ocean going vessels which, before the war, were regularly seen in numbers in the Port of Shanghai. This class of vessel was mostly foreign, and as they do not now use the Port as frequently as before, the two large docks

are now mostly employed for docking two and sometimes three Chinese coastal or inland water ships at one time. It should be readily understood that this arrangement would obviate any congestion suggested by the Author of the article.

In addition to the foregoing, one of the Company's dry docks, for various reasons, has not yet been re-opened since the Company's occupation of the Dockyards after the war. If, however, the demand for repairs warranted, the dock could soon be put into commission, but up to now there has been no justification for this.

Before the war the Dock Company had schemes for development on a big scale, including the construction of a dry dock to accommodate the largest ship entering the Port. At that time the availability of such a dry dock was important, and had the requirement still existed the schemes would have been pursued.

For reasons given by the Author of the article, it is true that generally the magnitude of repairs on the Chinese owned coastal and inland water vessels was greater than what was necessary on foreign ships of the same type; this, however, has now been taken care of without any strain on the Company's facilities, and as a result, the Chinese vessels should be in a reasonable state of repair, most of them being accepted by recognised British and American Classification Societies.

It should also be borne in mind that the Chinese owned vessels are carrying out the work previously done by foreign ships. These foreign ships in the old days not only required repairs from time to time, but in many cases were actually built by the Dock Company, and all this work, taken in conjunction with the larger amount of repairs on foreign ocean going vessels then visiting the Port, was considerably in excess of the work of today. When fully extended, before the war, the Dock Company employed about four thousand workers; the nearest approach to this in 1946 was about two thousand five hundred workers.

Regarding the statement that ships, both new and old, are lying idle awaiting repair, this must be challenged as far as the Whangpoo River is concerned, for it seems that any idleness on the part of ships is due to trade conditions and not to the lack of repairing facilities. Anyone sailing up the river cannot fail to observe the lack of shipping in the Port generally, and also the emptiness of the various slipways and wharves on both sides.

EXPORT PRODUCE

PEPPER AND ITS USES

The term "pepper" is applied to the fruits of various plants of the natural order Piperaceae. Ordinary black pepper and white pepper consist of the dried fruits of *Piper nigrum*, a perennial climber indigenous to Southern India, and now largely cultivated in the Malay Archipelago and Peninsula, Java, Sumatra, Borneo, the Philippines, the Dutch East Indies, the West Indies, and other tropical countries. The pepper vine grows indigenous in Hainan Island, but has not been successfully cultivated on the mainland of China. The shrub bears spikes of berries, which, when fully ripe, are bright red in colour.

When black pepper is required, the berries are gathered unripe, just as they begin to turn red. They are next separated from the stalk, cleaned, and afterwards dried either by artificial heat or by being spread out on mats and exposed to the sun; when perfectly dry, they are ready for the market.

Black pepper is sold in the form of shrivelled, coarsely reticulated, dull black, blackish brown, or greyish black berries, with a few berries of a lighter colour intermixed, rather smaller than an ordinary pea, and without stalks; they have an aromatic odour and a sharp, burning, acrid taste and contain a single small undeveloped seed.

For white pepper the berries are allowed to become almost fully ripe on the vine. After having been picked, they are soaked in water and then freed of the outer skin by being rubbed between the hands, after which they are dried in the same manner as black pepper, sometimes going through a kind of bleaching process in addition.

White pepper is of a whitish grey or light straw colour; some of the berries are smooth others striated and others shrivelled and reticulated. The pepper husks obtained in preparing white pepper are used in the manufacture of sausages and sauces.

The best black pepper comes from the Malabar Coast; the best white pepper from Penang. Both black pepper and white pepper are imported whole into China, chiefly from Penang and Singapore, usually packed in gunny bags; ground pepper, prepared in Europe, is imported mostly in glass bottles and is used principally by foreigners.

Pepper is used chiefly as a condiment. The Chinese also use it in medicine for its supposed carminative, warming, and eliminative properties and prescribe it in cases of

dysentery, cholera, vomiting, summer diarrhoea and dysuria; they also use it to correct fish, flesh, shell-fish, and mushroom poisoning.

The chief constituent of pepper consists of an acrid resin, a volatile oil (about 2 per cent.), cellulose starch, and from 2 to 3 per cent. of a principle termed "piperine." Black pepper is much more pungent than white pepper, the essential principle of the fruit existing most plentifully in the outer part of the berry. The piperine is extracted by treating the pepper with alcohol, the tincture thus obtained being evaporated and then treated with an alkaline solution; the crystals of piperine which are deposited are purified by recrystallisation. Piperine appears in commerce as colourless, or pale yellowish, glistening, odourless, monoclinic crystals, tasteless at first, but afterwards developing a sharp, acrid, biting taste; it dissolves in alcohol, but is insoluble in water, and is used in medicine as a stimulant and antiperiodic.

Whole black pepper is sometimes adulterated with the dried berries of *Embella* (samara) ribes and other plants. Ground pepper is frequently adulterated with starch, ground olive stones, ground rice or other starch, ground ginger, long pepper, dust, and various other substances.

Long pepper consists of the spiked fruits of *Chavica Roxburghii*, the *Piper longum* of Linnaeus, a plant which is indigenous to Persia, Bengal, Ceylon, the Philippine Islands, and the Malay Peninsula and Archipelago, and which also grows in Szechwan province in China, forming an article of export from Hankow and other Yangtze ports. The fruits are gathered just before they reach maturity and are dried in the sun. Long pepper appears on the Chinese market in the form of small,

cylindrical, black or very dark grey fruits, generally pedicelated, and slightly tapering at the point; they are about 1 inch in length and studded with spirally arranged eminences; when cut, they show the white interior portion of the numerous little seeds of which they consist. They have a hot, pungent, and slightly aromatic taste and are considered by the Chinese to possess stimulant, carminative, stomachic, corrective, and astringent properties. In combination with other drugs long pepper is used by the Chinese in the treatment of dysentery, cholera, fluxes, enlargement of the spleen, menstrual disorders, toothache, coryza, and pyrosis. In India long pepper is used in the treatment of beriberi. When ground it is often used as a substitute for black pepper, or sold as being ground black pepper.

* * *

Menthol In Commerce

Menthol, sometimes called "peppermint camphor" or "peppermint ice," is a stearopten which occurs in oil of peppermint, usually to the extent of about 50 per cent., although some varieties are said to contain up to about 80 per cent. Menthol is sometimes obtained during the process of distilling peppermint oil, but is most commonly obtained by exposing peppermint oil to a very low temperature, which causes crystals of menthol to separate out; the menthol is sometimes purified by being dissolved in alcohol and then cooled, this resulting in the crystallisation of pure menthol.

Menthol is a whitish or almost colourless volatile substance with a strong odour of peppermint and a warm aromatic taste, which is followed by a sensation of cold when air is drawn into the mouth. It is usually sold in the form of acicular or prismatic crystals, or after having been compressed into small cone-shaped pieces, which are, for convenience, enclosed in small wooden or white metal cases.

Menthol is much used externally for treating neuralgic pains, headaches, and various other nervous complaints; the menthol, which is rubbed on the part affected, often gives relief on account of its rapid evaporation, producing a kind of local anaesthesia. Taken internally it acts as a stimulant and relieves dyspepsia. It is often prescribed for asthma, sea-sickness, and catarrh of the mucous membrane of the nose and throat, usually as a constituent of solutions; menthol is also considered to possess certain antiseptic properties.

Chinese menthol is produced principally in Canton and is usually sold in the crystallised form. Large quantities of menthol are also imported from Japan, both in crystals and in cones, the crystals being imported in air-tight tin boxes and each cone being enclosed in a wooden or metal cover.

CONSUMPTION, TRADE & PRODUCTION OF LIQUOR, WINE, BEER AND CHINESE SPIRITS

During 1947 Hongkong imported and produced 2,593,045 gallons of liquor, wine, beer and Chinese spirits, or nearly 40 percent over the preceding year. Of the total, 1,755,359 gallons, or 67 percent were for local consumption, and 685,791 gallons for export; 68,619 gallons for shipstores; and the remaining 83,289 were denatured.

Duties paid on all liquors to the Permit Office (revenue collecting section of the I. & E. Department) was \$10,387,844, or more than 25 percent of all the revenues collected by I. & E. in 1947.

Total imports in 1947 of European type liquors amounted to 607,586 gal-

Following are detailed statistics for local consumption, imports and re-exports of liquors, wines, beer, and Chinese spirits for 1947:

ALCOHOLIC BEVERAGES: FOR 1947

Class of Liquor	Import ex bond (Gallons)	Duty-paid (Gallons)	Re-export (Gallons)	Re-export for Shipstores (Gallons)	Denatured (Gallons)
EUROPEAN TYPE					
Liqueur	7,100	4,747	2,141	212	
Champagne	5,865	3,794	1,462	609	
Sparkling Wine	3,130	458	2,672		
Brandy	58,640	40,184	14,234	4,222	
Whisky	88,024	54,016	28,507	5,501	
Gin	34,207	23,171	6,244	4,792	
Rum	1,824	1,105	555	164	
Port	25,884	19,178	6,262	444	
Sherry	9,557	4,643	4,624	290	
Vermouth	6,698	3,032	3,275	391	
Still Wine	191,970	6,201	182,889	2,880	
Bitters	492	475	17		
Cider	348	348			
Beer	853,928	627,182	179,902	46,844	
Total	1,287,667	786,534	432,784	66,349	

CHINESE TYPE				
25% Spirit	174,062	48,683	125,379	
Over 25% Spirit	110,153	35,607	74,546	
Total	284,215	84,290	199,925	

LOCAL PRODUCTION

EUROPEAN TYPE					
Local Beer	259,475	204,123	53,082	2,270	
Local Gin	776	776			
Local Rum	1,880	1,450			430
Total	262,131	206,349	53,082	2,270	430
CHINESE TYPE					
25% Spirit	737,576	656,528			81,048
Over 25% Spirit	21,456	19,658			1,808
Total	759,032	676,176			82,856

lons, or 89 percent more than 1946, and imports of Chinese spirits were 18,416 gallons, or 6 percent less than in the previous year.

The people of Hongkong drank approximately 500,000 more gallons of European type wines and Chinese spirits in 1947 than in 1946, bringing the total of local consumption up to 1,755,359 gallons. When compared with the respective figures for 1946, the people in the Colony consumed in the last year 115 percent more imported European type wines, 10 percent more imported Chinese spirits, 3 percent less locally brewed beer and 10 percent more locally produced Chinese spirits.

The most popular drinks imported or consumed by the community were beer, whisky and brandy. With the exception of brandy, gin, rum, vermouth, still wine and cider, all other European type wines showed considerable increases in the quantities brought into Hongkong last year. The most notable increases were in whisky with 13,000 gallons more than 1946, and beer with over 400,000 gallons over 1946.

Re-exports of imported European type wines increased by 40 percent in 1947 over the 1946 figure, while shipstores took 420 percent more wines from Hongkong in the year under review than in the previous period.

The Hongkong Brewery produced 45,517 more gallons of beer than 1946, though the local community consumed in 1947 nearly 10,000 gallons less of Hongkong's own beer than in 1946. As many as 53,082 gallons of HK beer were exported in 1947 against 99 gallons only in 1946.

The Colony saw the establishment of several distilleries in 1947 for the production of gin and rum—the production of these European type wines was never undertaken in the Colony in the past. These new factories produced 776 gallons of gin and 1,880 gallons of rum in 1947.

The local consumption of Chinese spirits both imported and locally produced showed an increase of 10 percent in 1947 over the previous year.

HONG KONG'S TRADE FOR FEBRUARY 1948

(BY A TRADE ANALYST)

The February Trade Returns show a fall of imports from \$141 million to \$131 million, and exports a fall from \$113 to \$92, compared with the January figures. While this is an appreciable drop it would be unwise to read too much into the Trade figures. It is unlikely that the fall represents the beginning of a Trade recession. February was a short month and without doubt the holidays over Chinese New Year played a considerable part in keeping trade with neighbouring countries to a minimum.

Some significant features, however, can be seen from the Trade Returns. The high cost of the dollar exchange on the Free Market is making it unprofitable to import from hard currency Areas, while the increasing exchange restrictions is keeping down imports from those countries whose currencies are showing "hard" tendencies.

Imports from U.S.A., for example, show a fall of \$7 million, almost all groups being affected. Oil, paper, (\$1 million), machinery (\$1¼ million) and manufactured articles (\$1½ million). The export of vegetable oils to U.S.A. also declined by \$1 million.

Exchange restrictions were probably responsible for the fall in imports of textile fabrics from Italy, of paper from Sweden and of dyes from Switzerland. Although imports from Belgium increased by \$1 million, mainly fertilisers and steel, we can expect a fall in imports from this country in future owing to exchange difficulties.

Increased Trade With Empire

There is consequently a shift in demand from hard currency areas to the sterling area. In spite of the overall fall in imports, imports from the Empire increased by \$13½ million. Imports from the U.K. were up by \$6 million, mainly tobacco \$2 million, textiles \$1½ million, vehicles, machinery and heavy manufactured goods. Exports of vegetable oils to the U.K. dropped by \$2 million.

There were also increased exports from Australia of foodstuffs (\$1½ million) and from Canada of foodstuffs and manufactured goods. Sugar to the value of \$5 million reached Hongkong from Mauritius.

Trade with India fell away. Imports of Hydrocarbon Oils were down \$1 million and exports of local manufactured goods also dropped by \$1 million.

There was a large decrease in our exports to Malaya of essential oils, textiles (\$2 million) and manufactured textiles (\$1½ million).

A pleasing feature was the increased exports of locally manufactured textiles to Western Africa and the West Indies.

Indifferent Trade With China

Trade with China continued indifferent. Imports from North China show-

HONGKONG'S TRADE FOR FEBRUARY 1948.

Imports of merchandise into Hongkong during February, 1948 amounted to a declared value of \$131,243,468 as compared with \$82,557,394 in the month of February, 1947. The figures include Government sponsored cargoes.

Exports of merchandise totalled a declared value of \$92,286,053 as compared with \$70,993,321.

Imports during the first two months of 1948 amounted to a declared value of \$271,998,575 as compared with \$187,963,603 in the first two months of 1947.

Exports totalled \$205,602,445 as compared with \$173,585,144.

January 1948 imports \$140.7 million, exports \$113.3 millions.

TOTAL VALUES OF IMPORTS & EXPORTS OF MERCHANDISE BY COUNTRIES—FOR FEBRUARY

COUNTRIES	IMPORTS		EXPORTS	
	February 1947	February 1948	February 1947	February 1948
	\$	\$	\$	\$
United Kingdom	2,293,861	19,837,370	1,611,715	5,582,335
Australia	776,856	4,207,562	318,498	942,912
Burma	—	715,663	49,566	136,662
Canada	993,168	3,673,240	14,487	218,847
Ceylon	16,530	167,183	112,156	358,120
East Africa	—	458,694	—	499,932
India	8,184,107	664,765	668,165	376,489
Malaya (British)	6,325,796	6,694,259	14,954,486	12,165,611
New Zealand	4,800	—	72,751	12,822
North Borneo	215,492	754,769	222,903	213,004
South Africa	435,490	995,849	390,285	45,890
West Africa	—	—	3,805	246,353
West Indies	—	3,608	4,064	323,479
Br. Empire, Other	877	8,150,594	107,096	473,738
Belgium	2,177,987	5,703,778	488,021	473,738
China, North	1,338,010	7,382,673	3,220,565	3,363,033
" Middle	2,215,932	1,987,845	2,675,101	1,428,723
" South	22,509,531	16,135,876	12,282,481	6,392,637
Cuba	—	—	18,400	106,344
Central America	—	—	15,763	182,977
Denmark	—	102,425	98,375	72,933
Egypt	24,747	1,593,579	634,967	76,419
France	810,516	911,382	311,348	896,362
French Indo China	882,919	829,430	1,194,007	1,056,846
Germany	—	1,588,344	—	—
Holland	1,600,671	1,260,021	84,467	278,659
Italy	684,080	691,840	592,703	248,639
Japan	—	6,229,540	18,133	481,040
Korea	—	616,890	—	2,154,661
Macao	6,739,510	2,462,469	3,911,078	6,656,425
Norway	1,538,613	263,498	162,262	91,509
Neth. East Indies	762,488	999,720	1,260,669	9,811,881
Philippines	831,697	513,822	2,305,296	7,437,863
Portugal	173,729	76,855	15,000	—
Siam	1,666,335	7,532,953	8,801,983	11,003,102
South America	11,440	337,420	44,384	329,031
Sweden	233,500	828,554	270,533	295,617
Switzerland	359,680	2,423,156	5,408	1,345,589
Spain	4,785	38,327	150	—
U. S. A.	18,307,496	22,692,687	11,879,115	14,028,175
U. S. S. R.	—	228,000	1,482,000	—
Others	436,752	1,488,828	691,185	2,665,990
TOTAL	82,557,394	131,243,468	70,993,321	92,286,053
Total British Empire	19,246,976	46,323,556	18,529,977	21,407,860
Total Foreign	63,310,418	84,919,912	52,463,344	70,878,193

ed an increase of \$3½ million, mainly foodstuffs and cotton yarn (\$2½ million). Imports from Middle China continued to fall and the export of textiles to Middle China also fell away.

Imports of vegetable oils from South China were down by \$4½ million and in spite of an increase of metallic ores the overall imports from South China dropped by \$7 million. Exports to

China dropped further by \$1 million, mainly vehicles and steel products.

Big falls were registered in the trade with Macao but this was to be expected owing to the influence of Chinese New Year holidays. Imports were down by \$3 million, mainly vegetable oils, while exports dropped by \$6 million, mainly tobacco \$1½ million, hydrocarbon oils, textiles and manufactured goods generally.

Exports to the Netherlands East Indies improved by \$4½ million, chiefly cotton yarn (\$1½ million), manufactured textiles (\$1½ million) and manufactured metal goods.

Imports from Japan dropped by \$6 million, mainly foodstuffs and cotton yarn (\$4 million), while exports of foodstuffs to Japan were down by \$2 million.

Exports to Korea continued on a lively scale but imports of fishery products were down by \$1 million.

There were no exports to the U.S.S.R. during the month.

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HONGKONG'S SMALLER TRADING PARTNERS IN FEBRUARY 1948:—

U.S.S.R.: No exports; imports of chemical and pharmaceutical products valued at \$228,000.

SPAIN: No exports; imports of wine for \$13,047 and chemicals \$25,280.

PORTUGAL: No exports; imports of fishery products for \$2,700, wine for \$53,869, cork for \$17,786, precious stones and pearls for \$2,000 and manufactured articles for \$500.

AFGHANISTAN: only exports of paper manufactures for \$700.

AUSTRIA: paper imports valued \$55,706; exports of hides and skins \$78,372.

CZECHOSLOVAKIA: only imports mainly paper for \$287,560.

EL HASA: only exports mainly textiles for \$177,000.

FINLAND: only imports mainly \$129,620.

IRAN: Imports of kerosene, gasoline \$902,348; and exports of some pottery and manufactured articles for \$44,698.

IRAQ: only exports mainly textiles \$642,835.

OMAN: Imports of fishery products \$1,800; and exports textile fabrics \$28,500, lanterns \$3,600.

PORTUGUESE EAST AFRICA: only exports mainly metal manufactures \$10,000.

SYRIA: only exports of essential oils \$13,482, manufactured articles \$14,952.

TURKEY: only exports mainly metal manufactures \$48,572.

Among "ALL OTHER COUNTRIES" imports total \$63,850 while exports total \$1,437,723, the largest item being vegetable oils with a value of \$1,357,080.

TOTAL VALUES OF IMPORTS & EXPORTS BY CHAPTERS — FEBRUARY, 1948 —

ARTICLES	IMPORTS \$	EXPORTS \$
Live animals, chiefly for food	1,728,473	2,120
Meat and preparations thereof	178,447	1,325,583
Dairy products, eggs and honey	1,999,349	1,886,383
Fishery products, for food	2,746,536	998,431
Cereals	5,724,061	192,226
Manufactured products of cereals, chiefly for human food	3,296,872	803,141
Fruits and nuts, except oil-nuts	1,853,043	1,903,747
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s. ..	3,415,060	5,656,607
Sugar and sugar confectionery	6,609,842	366,075
Coffee, tea, cocoa and preparations thereof, spices ..	1,336,315	923,098
Beverages and vinegars	623,061	447,984
Feeding stuffs for animals, n.e.s.	4,510	5,040
Tobacco	3,971,080	1,954,808
Oil-seeds, nuts and kernels	1,148,529	385,044
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	10,052,374	12,441,623
Chemical elements and compounds; pharmaceutical products	6,994,348	2,769,810
Dyeing, tanning and colouring substances (not including crude materials	9,722,979	2,215,960
Essential oils, perfumery, cosmetics, soaps and related products	518,013	986,542
Fertilizers	803,872	316,049
Rubber and manufactures thereof, n.e.s.	1,185,594	619,975
Wood, cork and manufactures thereof	2,313,914	458,707
Pulp, paper and cardboard and manufactures thereof	4,800,656	2,662,200
Hides and skins and leather	1,068,526	1,195,311
Manufactures of leather, not including articles of clothing	75,994	185,007
Furs, not made up	17,394	28,400
Textile materials, raw or simply prepared	628,052	2,221,563
Yarns and thread	8,471,815	4,500,059
Textile fabrics and small wares	9,112,272	12,941,103
Special and technical textile articles	555,624	148,612
Clothing and underwear of textile materials; hats of all materials	1,267,231	3,438,153
Clothing of leather and fur	31,320	40
Footwear, boots, shoes and slippers	137,458	1,247,142
Made-up articles of textile materials other than clothing	845,402	810,331
Products for heating, lighting and power, lubricants and related products	6,131,813	6,120,476
Non-metallic minerals, crude or simply prepared, n.e.s.	1,502,037	153,573
Pottery and other clay products	826,264	528,668
Glass and glassware	939,991	379,944
Manufactures of non-metallic minerals, n.e.s. ..	381,237	58,931
Precious metals and precious stones, pearls and articles made of these materials	360,690	347,769
Ores, slag, cinder	2,920,631	402,939
Iron and steel	3,937,442	1,262,108
Non-ferrous base metals	3,781,517	1,468,766
Manufactures of base metals, n.e.s.	2,982,264	4,135,498
Machinery, apparatus and appliances n.e.s., other than electrical	1,972,165	338,300
Electrical machinery, apparatus and appliances ..	1,902,200	937,884
Vehicles and transport equipment, n.e.s.	2,886,410	652,303
Miscellaneous crude or simply prepared products, n.e.s.	2,254,103	3,806,126
Manufactured articles, n.e.s.	5,226,698	5,655,873
Total Merchandise	131,243,468	92,286,053
Gold and specie	—	9,000
Grand Total	131,243,468	91,295,053

HONGKONG'S TRADING PARTNERS

Total Values of Imports & Exports Under Chapters By Countries For The Month Of February, 1948

UNITED KINGDOM								
Articles	Imports \$	Exports \$						
Meat & preparations thereof ..	30,700	—	Clothing & under- wear of textile materials; hats of all materials	335,173	39,100	Fruits and nuts, except oil-nuts	26,211	600
Dairy products, eggs & honey ..	—	24	Clothing of leather and fur	7,064	—	Vegetables, roots & tubers, chiefly used for human food and their preparations, n.e.s.	6,777	3,221
Fishery products, for food	35,235	—	Footwear, boots, shoes & slippers	36,175	474,202	Sugar and sugar confectionery	61,774	45
Cereals	558	—	Made-up articles of textile ma- terials other than clothing ..	19,433	—	Coffee, tea, cocoa and preparations thereof; spices	35,349	30,000
Manufactured products of cereals, chiefly for human food	41,082	—	Products for heating, lighting & power, lubri- cants & related products	48,755	—	Beverages and vinegars	23,372	518
Fruits and nuts, except oil-nuts	222	—	Non-metallic minerals, crude or simply pre- pared, n.e.s. ..	50,474	—	Animal and vege- table oils, fats, greases & waxes and their manu- factures, n.e.s. .	4,320	574,864
Vegetables, roots & tubers, chiefly used for human food and their preparations, n.e.s.	6,683	1,549,582	Pottery and other clay products ..	100,521	—	Chemical ele- ments and com- pounds; phar- maceutical pro- ducts	90,616	26,535
Sugar & sugar confectionery ..	149,552	5	Glass and glass- ware	88,380	26	Dyeing, tanning and colouring substances (not including crude materials)	6,701	—
Coffee, tea, cocoa & preparations thereof; spices ..	167,460	69,847	Manufactures of non-metallic minerals, n.e.s. .	106,595	—	Essential oils, perfumery, cos- metics, soaps & related products	26,508	37,640
Beverages and vinegars	203,869	—	Precious metals & precious stones, pearls & articles made of these materials	44,087	—	Wood, cork and manufactures thereof	—	35,498
Tobacco	2,856,175	—	Ores, slag, cinder	2,330	13,440	Pulp, paper and cardboard and manufactures thereof	2,886	—
Animal & vege- table oils, fats, greases & waxes & their manu- factures, n.e.s. .	1,075	1,833,610	Iron and steel ..	949,942	—	Hides and skins and leather	152,294	—
Chemical elements and compounds; pharmaceutical products	1,121,850	314,165	Non-ferrous base metals	315,075	95,688	Textile materials, raw or simply prepared	28,379	—
Dyeing, tanning & colouring sub- stances (not in- cluding crude materials)	1,161,038	—	Manufactures of base metals n.e.s.	1,130,780	5,396	Yarns & thread ..	239,362	—
Essential oils, perfumery, cos- metics, soaps & related products	155,342	50,600	Machinery, appa- ratus and appli- ances n.e.s. other than electrical .	1,159,457	—	Textile fabrics & small wares ...	128,643	130,615
Rubber & manu- factures thereof, n.e.s.	201,857	—	Electrical ma- chinery, appa- ratus & appli- ances	853,908	—	Special & techni- cal textile articles	176	—
Wood, Cork and manufactures thereof	61,134	40	Vehicles and transport equip- ment, n.e.s. ...	1,086,029	—	Clothing & under- wear of textile materials; hats of all materials	143,294	12,800
Pulp, paper and cardboard and manufactures thereof	517,465	—	Miscellaneous crude or simply prepared pro- ducts, n.e.s. ...	1,278	504,498	Footwear, boots, shoes & slippers	2,202	—
Hides and skins and leather ...	4,606	609,739	Manufactured articles, n.e.s. .	359,895	22,188	Products for heating, lighting & power, lubri- cants & related products	5,877	—
Manufactures of leather, not in- cluding articles of clothing	30,063	—	Total	19,837,370	5,582,335	Pottery and other clay products ..	—	1,351
Textile materials, raw or simply prepared	141,785	—	AUSTRALIA			Iron and steel ..	2,049	—
Yarns & thread ..	2,233,389	—	Articles	Imports \$	Exports \$	Non-ferrous base metals	3,064	—
Textile fabrics & small wares ...	3,764,406	185	Meat & prepara- tions thereof ..	3,080	2,950	Manufactures of base metals, n.e.s.	24,730	11,055
Special & techni- cal textile articles	256,483	—	Dairy products, eggs & honey ..	885,854	164	Machinery, appa- ratus & appli- ances n.e.s., other than electrical .	7,696	—
			Fishery products, for food	—	2,826	Electrical ma- chinery, appa- ratus and appli- ances	19,114	—
			Manufactured products of cereals, chiefly for human food	2,241,385	210			

Vehicles and transport equipment, n.e.s. . .	5,392	—
Miscellaneous crude or simply prepared products, n.e.s. . . .	8,530	55,899
Manufactured articles, n.e.s. . .	21,927	15,621
Total	4,207,562	942,912

BURMA

Articles	Imports \$	Exports \$
Fishery products, for food	—	900
Cereals	713,663	—
Manufactured products of cereals, chiefly for human food . .	—	10,000
Fruits and nuts, except oil-nuts	—	210
Chemical elements and compounds; pharmaceutical products	—	12,213
Dyeing, tanning and colouring substances (not including crude materials)	—	1,500
Essential oils, perfumery, cosmetics, soaps and related products	—	1,668
Pulp, paper and cardboard and manufactures thereof	—	21,350
Clothing and underwear of textile materials; of all materials	—	32,500
Pottery and other clay products	—	23,763
Glass and glassware	—	500
Manufactures of base metals, n.e.s.	—	17,580
Electrical machinery apparatus and appliances	—	1,885
Miscellaneous crude or simply prepared products, n.e.s. . . .	2,000	1,850
Manufactured articles, n.e.s. . .	—	10,743
Total	715,663	136,862

CANADA

Articles	Imports \$	Exports \$
Meat & preparations thereof . .	10,550	—
Dairy products, eggs & honey . .	7,740	—
Fishery products, for food	301,735	24,990
Cereals	61,513	—

Manufactured products of cereals, chiefly for human food	414,672	—
Fruits and nuts, except oil-nuts	125,261	3,279
Vegetables, roots & tubers, chiefly used for human food and their preparations, n.e.s.	241,403	48,796
Coffee, tea, cocoa & preparations thereof; spices	—	16,614
Beverages and vinegars	151,106	88
Feeding stuffs for animals, n.e.s.	1,930	—
Tobacco	90,000	—
Oil-seeds, nuts & kernels	—	130
Animal & vegetable oils, fats, greases & waxes and their manufactures, n.e.s.	—	35,961
Chemical elements & compounds; pharmaceutical products	119,440	5,189
Dyeing, tanning and colouring substances (not including crude materials)	14,838	—
Fertilizers	12,000	—
Wood, cork and manufactures thereof	2,500	1,512
Pulp, paper and cardboard and manufactures thereof	200,826	177
Hides and skins and leather	50,000	—
Textile fabrics & small wares	63,617	39,337
Footwear, boots, shoes & slippers	—	894
Made-up articles of textile materials other than clothing	2,445	—
Products for heating, lighting & power, lubricants & related products	393,772	—
Non-metallic minerals, crude or simply prepared, n.e.s.	1,000	—
Pottery and other clay products	—	2,348
Glass and glassware	615	—
Manufactures of non-metallic minerals, n.e.s.	57,281	—
Non-ferrous base metals	218,296	—
Manufactures of base metals, n.e.s.	277,527	—
Machinery, apparatus & appliances n.e.s.,		

other than electrical	48,056	—
Electrical machinery, apparatus and appliances	143,201	—
Vehicles and transport equipment, n.e.s. . . .	395,148	—
Miscellaneous crude or simply prepared products, n.e.s. . . .	1,024	23,628
Manufactured articles, n.e.s. . .	265,744	15,904
Total	3,673,240	218,847

CEYLON

Articles	Imports \$	Exports \$
Fruits & nuts, except oil-nuts . .	16,600	—
Vegetables, roots & tubers, chiefly used for human food & their preparations, n.e.s.	—	70,994
Coffee, tea, cocoa and preparation thereof; Spices	145,929	—
Chemical elements and compounds; pharmaceutical products	—	10,800
Textile materials, raw or simply prepared	3,834	—
Textile fabrics & small wares	—	19,108
Clothing & underwear of textile materials; hats of all materials	—	40,831
Made-up articles of textile materials other than clothing	—	3,780
Pottery & other clay products	—	1,826
Manufactures of base metals, n.e.s.	—	180,581
Electrical machinery, apparatus & appliances	—	15,136
Miscellaneous crude or simply prepared products, n.e.s. . . .	820	1,858
Manufactured articles, n.e.s. . .	—	13,206
Total	167,183	358,120

EAST AFRICA

Articles	Imports \$	Exports \$
Fishery products, for food	235,493	—
Coffee, tea, cocoa and preparation thereof; spices	8,530	9,891
Chemical elements and compounds; pharmaceutical products	—	2,160
Textile fabrics & small wares	—	254,690
Clothing & underwear of textile materials; hats of all materials	—	169,200

Pottery and other clay products ..	—	5,760	Manufactured articles, n.e.s.	790	5,420	Clothing & underwear of textile materials; hats of all materials	—	833,882
Manufactures of base metals, n.e.s.	—	26,229	Total	664,765	376,489	Footwear, boots, shoes & slippers	—	82,813
Electrical machinery, apparatus & appliances ..	—	13,602	MALAYA (BRITISH)					
Miscellaneous crude or simply prepared products, n.e.s.	214,671	—	Articles	Imports \$	Exports \$	Made-up articles of textile materials other than clothing	451,936	163,623
Manufactured articles, n.e.s.	—	18,400	Meat & preparations thereof ..	—	814,896	Non-metallic minerals, crude or simply prepared, n.e.s.	3,000	17,160
Total	458,694	499,932	Dairy products, eggs and honey	—	129,337	Pottery and other clay products ..	200	22,029
INDIA			Fishery products, for food	484,643	94,490	Glass and glassware	—	66,848
Articles	Imports \$	Exports \$	Cereals	—	129,648	Manufactures of non-metallic minerals, n.e.s.	—	6,430
Dairy products, eggs & honey	—	90	Manufactured products of cereals, chiefly for human food	—	25,853	Precious metals & precious stones, pearls & articles made of these materials	—	7,719
Fishery products, for food	108,268	—	Fruits and nuts, except oil-nuts	36,236	754,775	Iron and steel ..	290,177	9,000
Fruits and nuts, except oil-nut ..	8,763	—	Vegetables, roots & tubers, chiefly used for human food & their preparations, n.e.s.	246,720	1,261,087	Non-ferrous base metals	422,299	—
Coffee, tea, cocoa & preparations thereof; spices ..	777	—	Sugar and sugar confectionery	—	138,210	Manufactures of base metals, n.e.s.	29,041	637,851
Animal & vegetable oils, fats, greases & waxes & their manufactures, n.e.s.	133,396	49,056	Coffee, tea, cocoa & preparations thereof; spices	447,352	181,048	Machinery, apparatus and appliances n.e.s., other than electrical	921	37,248
Chemical elements and compounds; pharmaceutical products	53,389	—	Beverages and vinegars	—	156,346	Electrical machinery, apparatus and appliances	196	106,582
Dyeing, tanning & colouring substances (not including crude materials)	14,321	—	Feeding stuffs for animals, n.e.s.	—	5,040	Vehicles & transport equipment, n.e.s.	27,823	31,960
Rubber & manufactures thereof, n.e.s.	9,486	—	Tobacco	—	408,606	Miscellaneous crude or simply prepared products, n.e.s.	21,913	358,494
Wood, cork and manufactures thereof	15,000	6,630	Oil-seeds, nuts and kernels ..	—	59,593	Manufactured articles, n.e.s.	3,120	1,810,331
Pulp, paper and cardboard and manufactures thereof	235	—	Animal & vegetable oils, fats, greases & waxes & their manufactures, n.e.s.	2,889,365	32,460	Total	6,694,259	12,165,611
Hides and skins ..	7,450	—	Chemical elements and compounds; pharmaceutical products	57,499	163,929	NEW ZEALAND		
Textile materials, raw or simply prepared	2,570	81,344	Dyeing, tanning & colouring substances (not including crude materials) ..	19,873	157,744	Articles	Exports \$	
Yarns and thread	670	—	Essential oils, perfumery, cosmetics, soaps and related products	44,200	158,977	Fishery products, for food	2,671	
Textile fabrics & small wares ..	18,011	900	Fertilizers	10,675	—	Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	871	
Made-up articles of textile materials other than clothing	286,423	—	Rubber & manufactures thereof, n.e.s.	432,517	50,605	Coffee, tea, cocoa and preparations thereof; spices ..	141	
Pottery and other clay products ..	—	1,558	Wood, cork and manufactures thereof	378,273	14,874	Manufactures of base metals n.e.s.	1,200	
Precious metals & precious stones, pearls & articles made of these materials	—	14,450	Pulp, paper and cardboard and manufactures thereof	23,592	170,705	Miscellaneous crude or simply prepared products, n.e.s.	7,939	
Manufactures of base metals, n.e.s.	—	119,707	Hides and skins and leather ..	7,950	—	Total	12,822	
Electrical machinery, apparatus & appliances ..	—	48,234	Manufactures of leather, not including articles of clothing ..	—	102,158	No Imports recorded.		
Vehicles & transport equipment, n.e.s.	—	10,500	Textile materials, raw or simply prepared	10,655	137,500	NORTH BORNEO		
Miscellaneous crude or simply prepared products, n.e.s.	5,216	38,600	Yarns and thread	—	11,700	Articles	Imports \$	Exports \$
			Textile fabrics & small wares ..	351,083	2,778,260	Meat and preparations thereof ..	—	11,000
			Special & technical textile articles	3,000	36,000	Dairy products, eggs and honey ..	—	1,800
						Fishery products, for food	135,921	3,805

Manufactured products of cereals, chiefly for human food	220	5,833	or simply prepared, n.e.s.	—	300
Fruits and nuts, except oil-nuts	7,652	9,989	Pottery and other clay products ..	58	2,560
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	—	41,110	Glass and glass-ware	—	7,290
Sugar and sugar confectionery ..	—	755	Iron and steel ..	—	312
Coffee, tea, cocoa and preparations thereof; spices	36,017	390	Manufactures of base metals, n.e.s.	—	2,857
Beverages and vinegars	—	25,820	Machinery, apparatus and appliances n.e.s., other than electrical	—	1,850
Oil-seeds, nuts and kernels	82,040	5,472	Electrical machinery, apparatus and appliances ..	—	1,829
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	99,990	—	Miscellaneous crude or simply prepared products, n.e.s.	8,045	1,561
Chemical elements and compounds; pharmaceutical products	—	679	Manufactured articles, n.e.s. ..	—	9,568
Dyeing, tanning and colouring substances (not including crude materials)	—	160	Total	754,769	213,004
Essential oils, perfumery, cosmetics, soaps and related products	2,160	4,384			
Fertilizers	180	90			
Rubber and manufactures thereof, n.e.s.	5,300	215			
Wood, cork and manufactures thereof	371,136	1,350			
Pulp, paper and cardboard and manufactures thereof	—	4,418			
Manufactures of leather, not including articles of clothing	—	2,470			
Textile fabrics and small wares ..	—	7,230			
Special and technical textile articles	—	865			
Clothing and underwear of textile materials; hats of all materials	—	6,991			
Footwear, boots, shoes and slippers	—	43,752			
Made-up articles of textile materials other than clothing	6,050	4,400			
Products for heating, lighting and power, lubricants and related products ..	—	1,899			
Non-metallic minerals, crude					

WEST AFRICA

Articles	Exports \$
Rubber and manufactures thereof, n.e.s.	810
Textile fabric and small wares	8,250
Clothing and underwear of textile materials; hats of all materials	170,291
Made-up articles of textile materials other than clothing	3,500
Glass and glassware	8,056
Manufactures of base metals, n.e.s.	55,446
Total	246,353
No Imports recorded.	

WEST INDIES

Articles	Exports \$
Fishery products, for food ..	3,968
Manufactured products of cereals, chiefly for human food	3,418
Fruits and nuts, except oil-nuts	1,106
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	15,142
Coffee, tea, cocoa and preparations thereof; spices ..	4,372
Chemical elements and compounds; pharmaceutical products	30,236
Rubber and manufactures thereof, n.e.s.	3,780
Wood, cork and manufactures thereof	200
Textile fabrics and small wares	149,100
Clothing and underwear of textile materials; hats of all materials	63,493
Footwear, boots, shoes and slippers	17,983
Made-up articles of textile materials other than clothing	1,974
Pottery and other clay products	843
Manufactures of base metals, n.e.s.	5,194
Electrical machinery, apparatus and appliances	1,871
Miscellaneous crude or simply prepared products, n.e.s.	9,028
Manufactured articles, n.e.s.	11,771
Total	323,479

Imports only \$3,608 Tobacco.

BRITISH EMPIRE, OTHER

Articles	Imports \$	Exports \$
Fishery products, for food	93,000	—
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	—	48,536

Sugar and sugar confectionery ..	5,040,000	—	Dyeing, tanning and colouring substances (not including crude materials)	188,647	—	Coffee, tea, cocoa and preparations thereof; spices ..	3,148	55,831
Coffee, tea, cocoa and preparations thereof; spices ..	—	6,938	Fertilizers	669,452	—	Beverages and vinegars	24,600	32,116
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	25,200	—	Wood, cork and manufactures thereof	—	330	Oil-seeds, nuts and kernels	55,500	—
Dyeing, tanning and colouring substances (not including crude materials)	—	1,200	Pulp, paper and cardboard and manufactures thereof	464,116	—	Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	551,452	80,663
Essential oils, perfumery, cosmetics, soaps and related products ..	—	6,350	Hides and skins and leather	—	48,757	Chemical elements and compounds; pharmaceutical products	2,665	325,400
Wood, cork and manufactures thereof	—	3,474	Textile materials, raw or simply prepared	37,824	—	Dyeing, tanning and colouring substances (not including crude materials)	679,979	366,926
Textile fabrics and small wares ..	—	117,532	Yarns and thread	26,375	—	Essential oils, perfumery, cosmetics, soaps and related products ..	20,000	—
Clothing and underwear of textile materials; hats of all materials	—	21,495	Textile fabrics and small wares ...	445,037	—	Fertilizers	—	9,500
Made-up articles of textile materials other than clothing ..	—	6,625	Special and technical textile articles	3,760	—	Rubber and manufactures thereof, n.e.s.	—	133,321
Products for heating, lighting and power, lubricants and related products ..	2,992,394	—	Non-metallic minerals, crude, or simply prepared, n.e.s.	504,281	—	Wood, cork and manufactures thereof	900	20,120
Non-metallic minerals, crude or simply prepared, n.e.s. ...	—	8,120	Pottery and other clay products ..	49,599	2,760	Pulp, paper and cardboard and manufactures thereof	5,500	60,245
Pottery and other clay products ..	—	1,500	Glass and glassware	500,413	—	Hides and skins and leather	15,700	—
Glass and glassware	—	1,342	Manufactures of non-metallic minerals, n.e.s.	511	—	Textile materials, raw or simply prepared	52,500	110,812
Manufactures of base metals, n.e.s.	—	12,826	Iron and steel ...	1,418,018	—	Yarns and thread	3,512,200	—
Electrical machinery, apparatus and appliances ..	—	1,066	Non-ferrous base metals	580,627	28,550	Textile fabrics and small wares ...	1,022,532	24,724
Manufactured articles, n.e.s.	—	48,400	Manufactures of base metals, n.e.s.	379,310	5,400	Special and technical textile articles	8,220	31,238
Total	8,150,594	285,404	Machinery, apparatus and appliances ..	110,945	—	Clothing and underwear of textile materials; hats of all materials	202,640	—
			Vehicles and transport equipment, n.e.s.	6,700	—	Made-up articles of textile materials other than clothing	36,343	198,400
			Miscellaneous crude or simply prepared products, n.e.s.	—	67,613	Products and heating, lighting and power, lubricants and related products	6,846	194,064
			Manufactured articles, n.e.s.	3,106	490	Non-metallic minerals, crude or simply prepared, n.e.s. ...	2,802	12,540
						Pottery and other clay products ..	8,275	1,550

BELGIUM

CHINA, NORTH

Articles	Imports \$	Exports \$	Articles	Imports \$	Exports \$
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	—	2,660	Meat and preparations thereof ..	36,045	—
Coffee, tea, cocoa and preparations thereof	—	1,610	Dairy products, eggs and honey ..	9,740	168
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	77,900	288,068	Fishery products, for food	7,720	—
Chemical elements and compounds; pharmaceutical products	210,467	27,500	Manufactured products of cereals, chiefly for human food	63,970	—
			Fruits and nuts, except oil-nuts ..	284,535	323
			Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	251,570	—

other than electrical	7,964	157,132	Hides and skins and leather ...	—	600	Coffee, tea, cocoa and preparations thereof, spices	52,026	12,554
Electrical machinery, apparatus and appliances	8,916	340,645	Textile materials, raw or simply prepared	7,000	—	Beverages and vinegars	113	2,997
Vehicles and transport equipment, n.e.s.	—	33,854	Yarns and thread	2,400	9,233	Tobacco	3,530	660
Miscellaneous crude or simply prepared products, n.e.s.	224,895	53,748	Textile fabrics and small wares ..	25,690	520,289	Oil-seeds, nuts and kernels	63,548	—
Manufactured articles, n.e.s.	106,810	274,317	Special and technical textile articles	86,112	—	Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	4,963,682	550
Total	7,382,673	3,363,033	Clothing and underwear of textile materials	20,400	27,629	Chemical elements and compounds; pharmaceutical products	15,599	370,670
CHINA, MIDDLE			Products for heating and power, lubricants and related products ..	—	425,055	Dairy products, and colouring substances (not including crude materials)	—	37,667
Articles	Imports \$	Exports \$	Non-metallic minerals, crude or simply prepared, n.e.s.	890	—	Essential oils, perfumery, cosmetics, soaps and related products	6,101	17,558
Live animals, chiefly for food	389,971	—	Pottery and other clay products ..	90,282	—	Fertilizers	110	60,997
Meat and preparations thereof	—	24	Glass and glassware	—	9,925	Rubber and manufactures thereof, n.e.s.	—	124,326
Dairy products, eggs and honey	127,706	1,796	Iron and steel ..	—	3,317	Wood, cork and manufactures thereof	520,717	—
Fishery products, for food	19,595	2,751	Non-ferrous base metals	—	20,250	Pulp, paper and cardboard and manufactures thereof	174,195	305,284
Manufactured products of cereals, chiefly for human food ..	—	64	Manufactures of base metals, n.e.s.	2,000	—	Hides and skins and leather ...	130,483	—
Fruits and nuts, except oil-nuts	278,986	128	Machinery, apparatus and appliances n.e.s. other than electrical ..	500	6,762	Textile materials, raw or simply prepared	63,070	393,500
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	470,954	3,903	Electrical machinery, apparatus and appliances ..	—	6,000	Yarns and thread	392	—
Sugar and sugar confectionery ..	—	28	Vehicles and transport equipment, n.e.s.	—	15,976	Textile fabrics and small wares ..	267,466	10,985
Coffee, tea, cocoa and preparations thereof, spices	180,537	2,953	Miscellaneous crude or simply prepared products, n.e.s.	57,252	692	Special and technical textile articles	2,210	3,040
Beverages and vinegars	—	928	Manufactured articles, n.e.s.	9,825	304,879	Clothing and underwear of textile materials; hats of all materials	860	—
Feeding stuffs for animals, n.e.s.	30	—	Total	1,987,845	1,428,723	Made-up articles of textile materials other than clothing ..	1,420	78,720
Oil-seeds, nuts and kernels ...	1,500	—	CHINA, SOUTH			Products for heating and power, lubricants and related products ..	1,900	2,936,689
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	—	4,768	Articles	Imports \$	Exports \$	Non-metallic minerals, crude or simply prepared, n.e.s.	336,093	6,220
Chemical elements and compounds; pharmaceutical products	165,490	25,472	Live animals, chiefly for food	1,181,202	—	Pottery and other clay products ..	90,081	800
Dyeing, tanning and colouring substances (not including crude materials)	—	30,790	Meat and preparations thereof	25,597	4,579	Glass and glassware	735	3,700
Essential oils, perfumery, cosmetics, soaps and related products	—	393	Dairy products, eggs and honey	706,944	412	Manufactures of non-metallic minerals, n.e.s.	680	—
Rubber and manufactures thereof, n.e.s.	—	3,390	Fishery products, for food	151,061	1,264	Ores, slag cinder	2,879,050	—
Wood, cork and manufactures thereof	6,865	172	Cereals	135	—	Iron and steel ..	—	253,740
Pulp, paper and cardboard and manufactures thereof	43,860	551	Manufactured products of cereals, chiefly for human food ..	53,540	—	Non-ferrous base metals	1,871,767	191,254
			Fruits and nuts, except oil-nuts	155,824	—	Manufactures of base metals, n.e.s.	16,912	67,345
			Vegetables, roots & tubers, chiefly used for human food and their preparations, n.e.s.	860,226	144			
			Sugar and sugar confectionery ..	61,915	—			

Machinery, apparatus and appliances, n.e.s., other than electrical	—	26,986	Pulp, paper and cardboard and manufactures thereof	311	Miscellaneous crude or simply prepared products, n.e.s.	—	26,279
Electrical machinery, apparatus and appliances	2,140	78,580	Manufactures of leather, not including articles of clothing	1,962	Total	1,593,579	76,419
Vehicles and transport equipment, n.e.s.	5,100	180,579	Textile fabrics and small wares	36,755			
Miscellaneous crude or simply prepared products, n.e.s.	959,800	31,624	Clothing and underwear of textile materials, hats of all materials	6,485			
Manufactured articles, n.e.s.	509,652	182,413	Footwear, boots, shoes and slippers	5,866			
Total	16,135,876	6,392,637	Made-up articles of textile materials other than clothing	1,190			
			Pottery and other clay products	6,174			
			Manufactures of non-metallic minerals, n.e.s.	12			
			Manufactures of base metals, n.e.s.	14,743			
			Electrical machinery, apparatus and appliances ..	380			
			Vehicles and transport equipment, n.e.s.	900			
			Miscellaneous crude or simply prepared products, n.e.s.	4,997			
			Manufactured articles, n.e.s.	21,033			
			Total	182,977			
			No Imports recorded.				

CUBA

Articles	Exports	
Fishery products, for food	6,379	
Manufactured products of cereals, chiefly for human food	360	
Fruits and nuts, except oil-nuts	1,149	
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	6,388	
Coffee, tea, cocoa and preparations thereof; spices ..	5,350	
Beverages and vinegars ..	2,500	
Wood, cork and manufactures thereof	856	
Pulp, paper and cardboard and manufactures thereof ..	120	
Textile fabrics and small wares	4,525	
Pottery and other clay products	9,480	
Miscellaneous crude or simply prepared products, n.e.s.	40,345	
Manufactured articles, n.e.s.	28,898	
Total	106,344	
No Imports recorded.		

DENMARK

Articles	Imports	Exports
Coffee, tea, cocoa and preparations thereof; spices	—	17,040
Beverages and vinegars	21,100	—
Chemical elements compounds; pharmaceutical products	75	—
Wood, cork and manufactures thereof	—	715
Glass and glassware	81,250	—
Vehicles and transport equipments, n.e.s. ..	—	6,000
Miscellaneous crude or simply prepared products, n.e.s.	—	47,078
Manufactured articles, n.e.s.	—	2,100
Total	102,425	72,933

EGYPT

Articles	Imports	Exports
Cereals	1,593,579	—
Tobacco	—	13,600
Dyeing, tanning and colouring substances (not including crude materials)	—	9,970
Pottery and other clay products ..	—	720
Manufactures of base metals, n.e.s.	—	25,850

FRENCH INDO CHINA

Articles	Imports	Exports
Meat and preparations thereof ..	—	5,608
Dairy products, eggs and honey ..	—	7,107
Fishery products, for food	179,250	15,523
Manufactured products of cereals,		

chiefly for human food	—	42,069	Electrical machinery, apparatus and appliances	—	7,143	Special and technical textile articles	3,400	—
Fruits and nuts, except oil-nuts	—	65,564	Vehicles and transport equipment, n.e.s.	4,000	12,960	Glass and glassware	18,108	—
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	284,105	155,533	Miscellaneous crude or simply prepared products, n.e.s.	38,250	122,344	Iron and steel	13,776	—
Sugar and sugar confectionery	—	2,575	Manufactured articles, n.e.s.	—	31,012	Non-ferrous base metals	707	—
Coffee, tea, cocoa and preparations thereof; spices	7,200	8,533	Total	829,430	1,056,846	Manufactures of base metals, n.e.s.	16,360	—
Tobacco	—	40,000				Machinery apparatus and appliances, n.e.s., other than electrical	29,668	—
Oil-seeds, nuts and kernels	133,328	—	GERMANY					
Animal and vegetable oils, fats, greases & waxes and their manufactures, n.e.s.	—	35,692	Articles		Imports	Electrical machinery apparatus and appliances	174,813	4,800
Chemical elements and compounds; pharmaceutical products	—	27,965	Dyeing, tanning and colouring substances (not including crude materials)		1,588,344	Vehicles and transport equipment, n.e.s.	317,348	—
Dyeing, tanning and colouring substances (not including crude materials)	49,036	3,350	Total		1,588,344	Miscellaneous crude or simply prepared products, n.e.s.	—	66,323
Essential oils, perfumery, cosmetics, soaps and related products	—	4,666	No Exports recorded.			Manufactured articles, n.e.s.	5,000	31,050
Rubber and manufactures thereof, n.e.s.	—	1,505	HOLLAND					
Wood, cork and manufactures thereof	—	635	Articles	Imports	Exports	Total	1,260,021	278,659
Pulp, paper and cardboard and manufactures thereof	225	70,561	Meat and preparations thereof	\$ 12,448	\$ —	ITALY		
Hides and skins and leather	72,100	—	Dairy products, eggs and honey	1,741	—	Articles	Imports	Exports
Textile materials, raw or simply prepared	—	341,694	Manufactured products of cereals, chiefly for human food	10,882	—		\$	\$
Textile fabrics and small wares	—	222	Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	54,000	—	Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	—	24,640
Clothing and underwear of textile materials; hats of all materials	—	1,336	Coffee, tea, cocoa and preparations thereof; spices	62,634	—	Beverages and vinegars	2,678	—
Clothing of leather and fur	—	40	Beverages and vinegars	1,455	—	Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	—	125,000
Made-up articles of textile materials other than clothing	—	125	Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.	35,101	173,081	Chemical elements and compounds; pharmaceutical products	21,920	—
Non-metallic minerals, crude or simply prepared, n.e.s.	49,186	28,607	Chemical elements and compounds; pharmaceutical products	107,046	3,400	Hides and skins and leather	—	86,735
Pottery and other clay products	12,800	—	Dyeing, tanning and colouring substances (not including crude materials)	2,350	—	Yarns and thread	273,966	—
Iron and steel	—	21,000	Essential oils, perfumery, cosmetics, soaps and related products	4,280	—	Textile fabrics and small wares	254,042	—
Non-ferrous base metals	—	241	Pulp, paper and cardboard and manufactures thereof	246,772	—	Special and technical textile articles	98,040	—
Manufactures of base metals, n.e.s.	—	2,856	Hides and skins and leather	28,300	—	Clothing and underwear of textile materials; hats of all materials	31,434	—
Machinery, apparatus and appliances, n.e.s., other than electrical	—	2,400	Yarns and thread	91,570	—	Manufactures of base metals, n.e.s.	5,760	—
			Textile fabrics and small wares	22,262	—	Miscellaneous crude or simply prepared products, n.e.s.	—	12,264
						Manufactured articles, n.e.s.	4,000	—
						Total	691,840	248,639

JAPAN			Articles, n.e.s. ...		16,324	372	ducts		172,500	42,333
Articles	Imports \$	Exports \$	Total		6,229,540	481,040	Total		616,890	2,154,661
Meat and preparations thereof ..	—	288								
Dairy products, eggs and honey	—	84								
Fishery products, for food	31,010	67								
Fruits and nuts, except oil-nuts ..	—	15								
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.	33,652	309,178								
Sugar and sugar confectionery ..	286,800	—								
Coffee, tea, cocoa and preparations thereof; spices	71,012	21								
Beverages and vinegars	—	44,142								
Chemical elements and compounds; pharmaceutical products	608,639	—								
Dyeing, tanning and colouring substances (not including crude materials)	70,904	—								
Rubber and manufactures thereof, n.e.s.	47,296	—								
Wood, cork and manufactures thereof	—	3,860								
Pulp, paper and cardboard and manufactures thereof	100,889	4,078								
Yarns and thread	2,002,529	—								
Textile fabrics and small wares ..	1,877,094	955								
Footwear, boots, shoes and slippers	12,999	—								
Products for heating, lighting and power, lubricants and related products ..	584,896	—								
Pottery and other clay products ..	427,276	—								
Glass and glassware	31,884	—								
Non-ferrous base metals	—	43,602								
Manufactures of base metals, n.e.s.	25,803	5,175								
Machinery apparatus and appliances, n.e.s., other than electrical	—	15,105								
Electrical machinery apparatus and appliances	—	130								
Vehicles and transport equipment, n.e.s.	533	50,000								
Miscellaneous crude or simply prepared products, n.e.s.	—	3,968								
Manufactured arti-										

KOREA			Articles		Imports \$	Exports \$
Fishery products, for food					177,690	—
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.					54,700	—
Sugar and sugar confectionery ..					—	55
Beverages and vinegars					—	150
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.					—	55,807
Chemical elements and compounds; pharmaceutical products					—	144,134
Dyeing, tanning and colouring substances (not including crude materials)					—	415,133
Rubber and manufactures thereof, n.e.s.					—	102,339
Wood, cork and manufactures thereof					12,000	—
Pulp, paper and cardboard and manufactures thereof					—	457,605
Hides and skins and leather ..					—	40,000
Furs, not made up					—	5,800
Textile materials, raw or simply prepared					200,000	429,664
Yarns and thread					—	96,000
Textile fabrics and small wares ..					—	158,385
Special and technical textile articles					—	29,830
Clothing and underwear of textile materials; hats of all materials					—	16,435
Products for heating, lighting and power, lubricants and related products					—	104,921
Glass and glassware					—	45,610
Manufactures of non-metallic minerals, n.e.s.					—	560
Non-ferrous base metals					—	6,000
Manufactures of base metals, n.e.s.					—	1,100
Vehicles and transport equipment, n.e.s.					—	2,800
Miscellaneous crude or simply prepared pro-						

MACAO			Articles		Imports \$	Exports \$
Live animals, chiefly for food					157,300	—
Meat and preparations thereof ..					24,819	4,139
Dairy products, eggs and honey					101,269	57,015
Fishery products, for food					26,297	146,590
Cereals					28,215	510
Manufactured products of cereals, chiefly for human food					8,245	43,308
Fruits and nuts, except oil nuts					26,055	103,914
Vegetables, roots and tubers, chiefly used for human food and their preparations, n.e.s.					506,064	69,457
Sugar and sugar confectionery ..					32,141	50,462
Coffee, tea, cocoa and preparations thereof; spices ..					4,168	12,528
Beverages and vinegars					116,774	47,921
Feeding stuffs for animals, n.e.s.					2,550	—
Tobacco					8,556	1,042,258
Oil-seeds, nuts and kernels					82,181	38,814
Animal and vegetable oils, fats, greases and waxes and their manufactures, n.e.s.					335,974	27,915
Chemical elements and compounds; pharmaceutical products					24,916	237,599
Dyeing, tanning and colouring substances (not including crude materials)					37,920	275,743
Essential oils, perfumery, cosmetics, soaps and related products					768	45,325
Fertilizers					160	234,750
Rubber and manufactures thereof, n.e.s.					2,300	8,218
Wood, cork and manufactures thereof					50,426	228,224
Pulp, paper and cardboard and manufactures thereof					14,075	756,539
Hides and skins and leather ..					8,810	53,391
Manufactures of leather, not including articles of clothing ..					—	3,332
Textile materials, raw or simply prepared					40,150	5,259
Yarns and thread					3,524	54,770

Animal and vegetable oils, fats, greases & waxes and their manufactures, n.e.s.	1,400	9,570	crude or simply prepared products, n.e.s. . .	7,200	48,433	Textile fabrics & small wares . . .	—	3,692,716
Chemical elements and compounds; pharmaceutical products	—	91,892	Manufactured articles, n.e.s. . .	108,139	392,063	Special & technical textile articles	—	13,200
Dyeing, tanning and colouring substances (not crude materials)	—	58,755	Total Merchandise	513,822	7,437,863	Clothing & underwear of textile materials; hats of all materials	—	739,218
Essential oils, perfumery, cosmetics, soaps & related products	—	6,238	Gold and specie	—	9,000	Footwear, boots, shoes & slippers	—	374,247
Rubber & manufactures thereof, n.e.s.	—	44,750	Grand total	513,822	7,446,863	Made-up articles of textile materials other than clothing	—	216,540
Wood, cork and manufactures thereof	4,000	30,286	SIAM					
Pulp, paper and cardboard and manufactures thereof	—	64,877	Articles	Imports \$	Exports \$	Products for heating, lighting & power, lubricants & related products	—	42,595
Manufactures of leather, not including articles of clothing	—	48,390	Meat and preparations thereof	—	5,175	Non-metallic minerals, crude or simply prepared, n.e.s.	541,831	6,910
Textile materials, raw or simply prepared	37,085	13,246	Dairy products, eggs and honey	—	140,248	Pottery and other clay products	—	88,560
Textile fabrics & small wares	29,680	734,932	Fishery products, for food	37,110	44,503	Glass and glassware	—	96,009
Special & technical textile articles	—	12,780	Cereals	3,326,398	126	Manufactures of non-metallic minerals, n.e.s.	—	4,674
Clothing & underwear of textile materials; hats of all materials	—	63,658	Manufactured products of cereals, chiefly for human food	280,448	85,616	Iron and steel	—	100,801
Footwear, boots, shoes and slippers	—	168,788	Fruits and nuts, except oil-nuts	—	261,191	Non-ferrous base metals	—	72,009
Made-up articles of textile materials other than clothing	—	3,480	Vegetables, roots & tubers, chiefly used for human food and their preparations, n.e.s.	293,408	279,850	Manufactures of base metals, n.e.s.	—	757,721
Products for heating, lighting and power, lubricants and related products	—	97,350	Sugar and sugar confectionery	—	42,540	Machinery, apparatus and appliances n.e.s., other than electrical	—	6,400
Non-metallic minerals, crude or simply prepared, n.e.s.	—	1,940	Coffee, tea, cocoa and preparations thereof; spices	—	100,031	Electrical machinery, apparatus and appliances	—	115,269
Pottery and other clay products	—	88,601	Beverages and vinegars	—	16,724	Vehicles & transport equipment, n.e.s.	—	96,343
Glass and glassware	9,800	25,428	Oil-seeds, nuts and kernels	730,432	7,980	Miscellaneous crude or simply prepared products, n.e.s.	49,527	102,822
Iron and steel	560	53,476	Animal & vegetable oils, fats, greases & waxes & their manufactures, n.e.s.	926,102	10,080	Manufactured articles, n.e.s.	1,600	469,196
Non-ferrous base metals	162,000	320	Chemical elements and compounds, pharmaceutical products	30,645	260,164	Total	7,532,953	11,003,102
Manufactures of base metals, n.e.s.	—	1,358,644	Dyeing, tanning & colouring substances (not including crude materials)	—	580,347	SOUTH AMERICA		
Machinery, apparatus and appliances n.e.s., other than electrical	33,676	13,158	Essential oils, perfumery, cosmetics, soaps and related products	—	153,279	Articles	Imports \$	Exports \$
Electrical machinery, apparatus and appliances	1,012	4,040	Fertilizers	—	10,712	Vegetables, roots & tubers, chiefly used for human food and their preparations, n.e.s.	—	2,270
Vehicles & transport equipment, n.e.s.	78,500	9,570	Rubber & manufactures thereof, n.e.s.	—	79,298	Chemical elements & compounds; pharmaceutical products	22,504	—
Miscellaneous			Wood, cork and manufactures thereof	843,739	5,140	Dyeing, tanning & colouring substances (not including crude materials)	314,916	—
			Pulp, paper and cardboard and manufactures thereof	—	485,055	Textile fabrics & small wares	—	1,635
			Hides and skins	471,713	—	Clothing & underwear of textile materials; hats of all materials	—	2,156
			Manufactures of leather, not including articles of clothing	—	1,800	Footwear, boots, shoes & slippers	—	1,350
			Textile materials, raw or simply prepared	—	12,240			
			Yarns and thread	—	1,425,800			

Non-ferrous base metals	—	245,600
Manufactures of base metals, n.e.s.	—	72,279
Miscellaneous crude or simply prepared products, n.e.s.	—	53
Manufactured articles, n.e.s.	—	3,688
Total	337,420	329,031

SWEDEN

Articles	Imports \$	Exports \$
Vegetables, roots & tubers, chiefly used for human food and their preparations n.e.s.	—	37,455
Animal and vegetable oils, fats, greases & waxes & their manufactures, n.e.s.	—	28,640
Pulp, paper and cardboard and manufactures thereof	539,752	—
Hides and skins and leather ...	—	43,245
Clothing & under- wares of textile materials; hats of all materials	—	32,250
Pottery and other clay products ..	—	120
Glass and glass- ware	10,727	—
Ores, slag, cinder	—	97,860
Non-ferrous base metals	—	12,320
Machinery, ap- paratus & appli- ances n.e.s., other than elec- trical	145,800	—
Electrical machin- ery, apparatus and appliances	40,500	—
Vehicles & trans- port equipment, n.e.s.	10,559	—
Miscellaneous crude or simply prepared pro- ducts, n.e.s.	—	43,727
Manufactured ar- ticles, n.e.s.	81,216	—
Total	828,554	295,617

SWITZERLAND

Articles	Imports \$	Exports \$
Dairy products, eggs and honey	3,820	—
Animal & veget- able oils, fats, greases & waxes & their manu- factures, n.e.s. .	—	1,336,254
Chemical elements & compounds; pharmaceutical products	40,975	—
Dyeing, tanning &	—	—

colouring sub- stances (not in- cluding crude materials) ...	1,027,925	—
Textile fabrics & small wares ..	14,042	—
Clothing & under- wear of textile materials; hats of all materials	136	—
Footwear, boots, shoes & slippers	34,800	—
Machinery, ap- paratus and ap- pliances n.e.s., other than elec- trical	1,797	—
Electrical machin- ery, apparatus & appliances	—	8,420
Miscellaneous crude or simply prepared pro- ducts, n.e.s.	—	915
Manufactured ar- ticles, n.e.s.	1,299,661	—
Total	2,423,156	1,345,589

U.S.A.

Articles	Imports \$	Exports \$
Meat & prepara- tions thereof ..	35,208	248,516
Dairy products, eggs and honey	154,535	38,831
Fishery products, for food	627,115	233,751
Manufactured pro- ducts of cereals, chiefly for hu- man food	182,428	45,806
Fruits and nuts, except oil-nuts	861,043	238,650
Vegetables, roots and tubers, chiefly used for human food and their prepara- tions, n.e.s.	49,358	455,858
Sugar and sugar confectionery	239,748	3,280
Coffee, tea, cocoa & preparations thereof; spices	114,176	303,480
Beverages and vinegars	2,010	73,269
Tobacco	968,441	954
Oil-seeds, nuts and kernels ...	—	34,159
Animal & veget- able oils, fats, greases & waxes & their manu- factures, n.e.s.	7,417	6,131,132
Chemical elements & compounds; pharmaceutical products	3,333,578	37,321
Dyeing, tanning & colouring sub- stances (not in- cluding crude materials) ...	4,378,546	182,941
Essential oils, per- fumery, cosme- tics, soaps and related products	245,164	—
Fertilizers	11,295	—
Rubber & manu- factures there- of, n.e.s.	303,600	—

Wood, cork and manufactures thereof	29,448	71,418
Pulp, paper and cardboard and manufactures thereof	1,726,032	11,054
Hides and skins and leather ...	9,675	179,692
Manufactures of leather, not in- cluding articles of clothing	45,931	680
Furs, not made up	17,394	22,600
Textile materials, raw or simply prepared	3,200	571,364
Yarns and thread	41,663	—
Textile fabrics & small wares ..	617,421	529,622
Special and tech- nical textile ar- ticles	90,212	650
Clothing & under- wear of textile materials; hats of all materials	528,994	287,436
Clothing of leather and fur	24,256	—
Footwear, boots, shoes & slippers	51,282	12,400
Made-up articles of textile ma- terials other than clothing ..	39,552	1,335
Products for heat- ing, lighting & power, lubri- cants & related products	1,195,025	3,378
Non-metallic min- erals, crude or simply prepar- ed, n.e.s.	9,635	—
Pottery and other clay products	47,072	136,845
Glass and glass- ware	116,136	—
Manufactures of non-metallic minerals, n.e.s.	216,170	—
Precious metals & precious stones, pearls & articles made of these materials	14,603	325,600
Ores, slag, cinder	—	291,039
Iron and steel ..	1,177,475	—
Non-ferrous base metals	156,440	583,968
Manufactures of base metals, n.e.s.	882,149	177,548
Machinery, ap- paratus & ap- pliances n.e.s., other than elec- trical	514,449	—
Electrical machin- ery, apparatus and appliances	547,455	4,100
Vehicles & trans- port equipment, n.e.s.	948,978	—
Miscellaneous crude or simply prepared pro- ducts, n.e.s.	275,332	1,810,112
Manufactured ar- ticles, n.e.s.	1,753,046	979,386
Total	22,692,687	14,028,175